### **Both Sides** In Sarajevo Surrender Some Arms

### **UN General Accuses** Renegades of Trying To Sabotage Cease-Fire

Compiled by Our Staff From Dispatcher

SARAJEVO, Bosnia-Herzegovina — The
United Nations commander in Sarajevo accused renegade troops Friday of trying to sabotage the new come firm and of the new come firm. tage the new cease-fire in the city, but peace-keepers were modestly encouraged as warring Muslim and Serbian soldiers began turning in

some of their heavy weapons.

The commander, Sir Michael Rose, said he was "reasonably satisfied" with the truce that began Thursday, although he was angered by a burst of shelling and machine-gun fire over-

Serbian troops and forces of the Muslim-led government blamed each other for the viola-tions, but the United Nations said both sides

"A comparatively small number of rounds have been fired since the start of the cease-fire as far as I can judge, as many out of the city as into the city," Lieutenant General Rose said. "It seems quite extraordinary that renegade military muits are attempting to sabotage the

Presidents Clinton and Yeltsin make a difficult. connection. • Washington is willing to lift sanctions on Serbia, bit by bit. Page 2.

cease-fire and thus prolong the suffering of their own people in Sarajevo."

As the cease-fire took hold, French soldiers began sweeping for mines in the bombed-out Dobrinja housing project outside Sarajevo. Government and Serbian fighters glowered at the peacekeepers through blackened window frames on either side of the front line.

In an atmosphere of mutual suspicion at Tito Barracks, in government-held territory, the Bosnian Army turned over two 120mm mortars and an 82mm mortar. The Serbs surrendered 15 weapons, including a multibarreled rocket

No one knows how many heavy weapons the government forces have in Sarajevo, but it is a fraction of the Serbs firepower in the hills

"We hope this is just the beginning of a transition from war to peace in Sarajevo and the rest of Bosnia," a UN military observer said

Yugoslav Army barracks in Lakavica, a few kilometers southwest of the city, UN sources

Seven Serbian guns, including a rocket launcher and mortars, were delivered there on Friday, and peacekeepers said they expected another seven heavy weapons before the end of

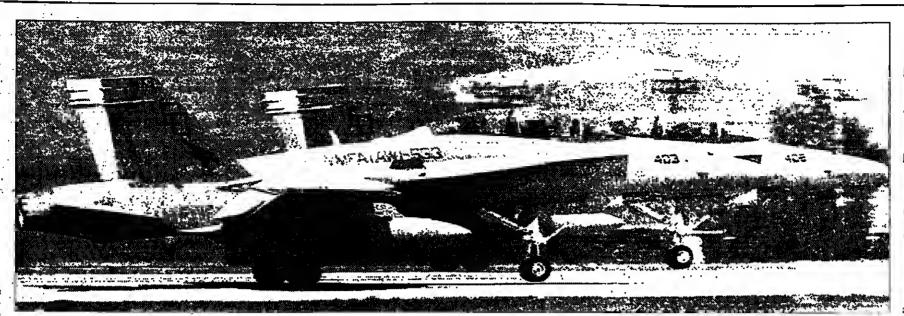
UN forces built two observation bunkers on the Bosnian government side of the Brother-hood and Unity Bridge, a flashpoint in the fighting that was occupied and swept for mines Thursday by French peacekeepers.

Government soldiers at a nearby abandoned school said hardly any bullets had been fired by

the Serbs all day.
"We still don't trust them, but at least the UN is doing something concrete for the first time in 22 months," said a government soldier. "I feel secure," said Ferid Hodzic, 58, a civilian who lives near the school. "The last two days, I have been feeling like the war is over and

peace is returning to Sarajevo."

If the truce holds, and Serbian forces place their siege guns around Sarajevo under UN See BOSNIA, Page 4



### NATO Sends Carriers and Jets to Bolster Air Power



Scrbian troops also began handing over Radovan Karadzic, the Bosman Serbs' representative, waving off reporters Friday in Geneva as he headed for a conference session.

### U.S. Gives New Dynamism to Peace Talks

By David B. Ottaway

Washington Post Service
GENEVA — Peace talks on Bosnia took a
new turn here Friday with the start of active U.S. participation on the side of the Muslim-led Bosnian government in the search for a settlement to the 22-month-old fighting there.

The American involvement seems certain to add a new dynamic to the deadlocked oegotiating process and may lead to a new delay as the mian government seeks to work out a revised set of objectives and demands with the

It could lead to substantial revisions of the peace plan under discussion since both the Bosnian government and the Clinton administration have indicated their strong reservations

about its underlying principles.

The new U.S. role in the negotiations was signaled here with an appearance before the media of the special U.S. envoy to the peace talks. Charles Redman, standing beside the clearly delighted Bosnian prime minister, Haris ly professional." It reflects the central friendship between the

wanted to "add our weight to the diplomatic process and see what we can do."

The objective, he said, was to "produce the kind of results the Bosmans have been looking for." At another point he described the U.S. aim as "a good negotiated solution and surely one that takes account of the Bosnians."

Mr. Redman said that the United States

"We're really at the start in a way of a new phase, at least as far as the United States is concerned," he added.

The leader of the Bosnian Serbs, Radovan Karadzic, sought to play down the new American involvement, snapping "They have always been involved on the Muslim side."

Mr. Redman said be had already begun exploratory talks with the Bosnian delegation regarding its negotiating position and described

United States and Bosnia," he said. For the Bosnians, the acove intervention of the United States on its side is a dream come true, something they have been working hard to achieve since the start of these negotiations 18

months ago. The Bosnians, the main victims of the war, have felt abandoned by the United States and Europe in their hattle to regain the lands and towns that the Bosnian Serbs "ethnically

cleansed" of their Muslim population. In addition, the Bosnians have always regarded the chief international negociator, Lord Owen, as hostile and repeatedly asked for his

Lord Owen publicly welcomed the U.S. in-See TALKS, Page 4

By Alan Cowell New York Times Service

ROME - Aircraft carriers from Britain and France headed for the Adriatic on Friday and the United States prepared to reinforce fighter planes at hases in Italy as the Western allies began the countdown to their deadline for Bos-nian Serbs in lift the siege of Sarajevo, accord-ing to Western military officials.

The officials, who spoke in return for anooymity, said Western military flights over Bosnia - part of a nine-month operation to stop intrusions into Bosnian airspace — had dou-hled to 60 or 70 a day since the North Atlantic Treaty Organization moved toward threatening air strikes if the siege was not lifted by Feb. 21.

"We have been ready for a long time," an official said. "We are going to be boosting the force levels a bit more."

The United States already bas an array of air power based in Italy, including F-16. F/A-18 and A-10 warplanes, EC-130 flying command centers and powerful AC-130 gunships, Additionally, the aircraft carrier Saratoga is in the

tionally, the aircraft carrier Saratoga is in the Adriatic with its complement of warplanes,

In addition, the Pentagon is sending eight F-15E strike aircraft to Italy, The Associated Press reported from Washington. The F-15Es, the strike version of the famed "Eagle" fighter jet, are the most sophisticated warplanes in the U.S. Air Force, with increased capabilities for targeting and longer range for bombing runs.

[Washingtoo is also sending two additional AC-130 gunships to the air base at Brindisi, in southern Italy, and two more EC-130 Airborne Battlefield Command and Control Center aircraft to Aviano, in corthern Italy. The deployment will polster the number of NATO aircraft in the region to 146 fighters and bombers, from 120, the official said.]

Dutch, Turkish, Free planes have also been flying over Bosnia as part of Operation Deny Flight, while NATO elec-tronic surveillance AWACS planes cruise over Hungary and the Adriatic around the clock to pinpoint military movements.

But, according to pilots at the Aviano air base, a prime concern is not so much their ability to knock out Bosnian Serb artillery as to protect UN troops on the ground from repri-

Their potential Bosnian Serb adversaries are equipped with both ground-launched and shoulder-launched, beat-seeking missiles. Moreover, they can take advantage of terrain that, unlike the deserts of Kuwait in the Gulf War, permits Bosnian Serbs to hide artillery in wooded and hilly country or even among civilian populations.

Western officials, however, said U.S. and other NATO pilots were "trained in cope with

They know the countermeasures to take. That doesn't mean it's not risky." Military officials said the British aircraft car-

See COUNTDOWN, Page 4

### **Summit Fails** To Produce U.S.-Japan Trade Accord

### Clinton Is Considering Countermoves After Talks With Hosokawa

Compiled by Our Staff From Dispatches WASHINGTON — President Bill Clinton and Prime Minister Morihiro Hosokawa failed during a summit meeting Friday to settle their countries' deep-seated differences on trade.

Saying it was "better to have reached no

agreement than an empty agreement," Mr. Clinton announced that the two sides bad not been able to reach an accord in any of four key

areas targeted last July.

"Japan's offers made in these negotiations simply did not meet the standards agreed to in Tokyo." President Clinton said.

He was referring to the so-called framework deal under which Japan pledged last summer to open its market more fully in four areas.

Regarding possible U.S. retaliadon, Mr. Clinton said: "I'm not prepared to say yet. We have to think about that."

have to think about that." Earlier, the U.S. trade representative, Mickey

Kantor, said "all opdons" remained open. Commerce Secretary Ronald H. Brown had said the United States would not rule out using the currency market to push the yen higher if the trade talks failed.

Mr. Brown said that the United States was studying all options, including action on the exchange markets, to "correct this unacceptable trade imbalance between the U.S. and

In New York, the dollar finished the day at 107.18 yen, down from a close of 108.25 yen oo Thursday, (Page 10)

Mr. Hosokawa confirmed that no accord had been reached, but added that the failure should not lead to a trade war between the two ecooomic superpowers.

The prime minister said that although his

government could not accept numerical targets for increasing purchases of American goods, be still believed the trade deficit between the two

countries would come down.

"We should in oo way allow this to undermine the strong and friendly relationship between our two countries," Mr. Hosokawa said.

Mr. Clintoo went into the meeting intending to pressure Mr. Hosokawa to open Japanese markets to American goods. The four major sectors under discussion were: government procurement of medical equipment, telecommuni-cations, insurance deregulation, and autos and

sults in cutting the trade gap, Mr. Hosokawa said such cuts would be arbitrary and that trade was a private-industry activity that his government did not control.

While Mr. Clinton wanted measurable re-

He repeatedly urged that the United States and Japan work on improving trade relations, rather than setting targets for the trade imbal-

On Thursday, the Commerce Department will report the 1993 U.S. trade deficit with

Japan, which looks certain to set a record. During the first 11 months of the year, the United States had a \$54 billion trade deficit with Japan. Many analysts expect the gap for

the full year to reach \$60 hillion. The White House National Economic Council, a coordinating body, also met Friday to consider how Washington should respond to the failure of the trade talks.

Leading U.S. lawmakers, including the leader of the majority Democrats in the House, Richard A. Gephardt of Missouri; the chairman of the House Ways and Means Committee, Dan Rostenkowski of Illinois, and the Senate

See TRADE, Page 4

### As Hairlines Recede, So Do Paychecks Incomes of Middle-Aged U.S. Men Are Falling Steeply

By Louis Uchitelle New York Times Service

NEW YORK - For the first time since World War II, collegeeducated men in their late 40s and early 50s — normally the prime earning years — are suffering a steep decline in wages, finally getting caught in the downward mobility that has hit most other groups of male

This is the generation that got its university degrees in the prosperous 1960s and entered corporate jobs confident of steady promotions and rising incomes into their mid-50s. Instead, those promotions and rising comes have stopped.

Much anecdotal evidence has documented this setback, particularly

stories of middle-aged men forced out of managerial jobs and into lower-paid work or unemployment. But only now is the extent of the damage to incomes showing up in government data.

"This was the first generation to be widely educated in college," said Katherine Newman, a social anthropologist at Columbia University, who has studied their lives. "They followed the recommended path, but

108.25

their education has failed to insulate them. And they are getting burt just at the age when they had counted on rising incomes to educate their children and to save for retirement."

In the United States, this group represents 2 percent of the labor force and is composed of 2 million men aged 45 to 54, with four years of college but no postgraduate study. The vast majority are white; only 150,000 are black or Hispanic. From 1986 through 1992, the median income of men then in this age

group fell by 17 percent, after adjusting for inflation, to \$41,898, according to data collected by the Census Bureau. Most of the decline of \$8,800 came after 1989.

The burean does not tabulate or publish these data. But two economists, Frank Levy of the Massachusetts Institute of Technology and Richard J. Murnane of the Harvard Graduate School of Education, saw the trend in their own recent tabulations of the data.
"We are finding that the standard pattern for educated labor, where

See OLD, Page 4

### Down 0.08% The Dollar 1.753 1.4625 1.4627

107.10

Yen

**Newsstand Prices** 

### Kiosk

### U.S. Wholesale Inflation Rises 0.2%

Coming on Monday In her continuing search for the

world's top restaurants, Patrica Wells torns to Belgium, Luxembourg and The Netherlands.

European architecture and art, in a Paris exhibition. Page 7. Page 4 Book Review

WASHINGTON - The price wholesal-

ers pay for goods rose 0.2 percent in January, with a drop in food prices offsetting the biggest jump in gasoline prices in more than three years, the government said Friday.

Excluding the volatile food and energy

sectors, the Producer Price Index rose 0.4 If the January gain were to continue for the entire year, it would mean inflation at the wholesale level would be 2.9 percent. Economists were divided on whether the

data offered signs of new inflationary pres-sures. Some said the decline in food prices masked increases in other sectors that were likely to continue, but others said the PPI tends to show greater gains in the early part of the year before tapering.



The U.S. speed skater Dan Jansen, the 500-meter record-holder, practicing Friday in Hamar, Norway, on the eve of the Winter Games. Complete Olympic coverage, Page 18.

### In Lillehammer, The Games Go **Back to Nature**

By William Drozdiak

Washington Post Service
LILLEHAMMER, Norway — In this land of pristine fjords and virgin forests, it was perhaps natural that the citizens would try to stage the most environment-friendly Olympics in history. But nobody thought they would go

Plates and eating utensils consist of potato and corn starch so they can be ground into animal fodder. Several hundred tons of garbage from the Games will be transformed within three weeks into earth. Billboards, signs and posters will be recycled into cardboard.

"Green" has become a new watchword for the Olympics, even as the Games scale new beights in mass marketing and materialism. The International Olympic Committee acknowledged that Sydney was selected as the site for the 2000 Summer Games largely because of its ecological emphasis.

Seeking to deflect growing criticism of the Games as a spectacular jamboree for hig-business interests, the IOC chairman, Juan Antonio Samaranch, said last year that a responsible approach to the environment would become an important criterion in the future of the Olym-

In Norway's case, the quest for a happy marriage between nature and the Games came after it recognized that Lillehammer's successful bid would pose grave risks as well as great opportunities for its 4 million citizens.

Even before Lillehammer was selected in 1988, Norwegians were becoming alarmed by outside forces spoiling their natural paradise. Pollution from Russia's Kola Peninsula has inflicted serious acid-rain damage on Norway's lakes and trees. The Chernobyl nuclear accident deposited so much cesium over Norway

that the level of radioactivity in reindeer meat. See GAMES, Page 4



Alain Juppé, the French foreign minister, right, on a one-day visit Friday to Sarajevo, and Henry Jacolyn, the French ambassador to Bosnia-Herzegovina. They were inspecting the city's central market, where 68 people were killed last weekend in a mortar attack.

### U.S. Offers Its Carrot, Piece by Piece

By Elaine Sciolino

New York Times Service
WASHINGTON — In a shift in its policy on Bosnia, the United States has indicated a willingness to lift sanctions against Serbia on a step-by-step basis, according to senior American and European officials. The sanctions would be eased "in response

to cooperation at the bargaining table," a senior administration official said. "That's

the carrot if they make peace."

The United States has also scaled back its commitment to help enforce an eventual peace settlement in Bosnia and would contribute only a third of the ground troops necessary, instead of half as envisioned in current NATO plans.

Washington reduced its commitment largely to placate those on Capitol Hill who want fewer U.S. troops on the ground, or none at all.

After refusing for a year to take part in negotiations on the war in Bosnia-Herzegovina, the Clinton administration has switched signals, telling its European allies that it will press the Bosnian government to accept a peace plan that partitions the country along ethnic lines, the senior American and Euronean officials said.

Two weeks ago, France pressed the United States to get more heavily involved in the diplomacy of the 22-month Bosnian war, but the Americans continued to resist, arguing that a settlement that imposed a solution on the Muslim-dominated government would be militarily unenforceable and morally unac-

On the other band, the United States has consistently found the French to be resistant to the idea of air strikes, arguing that their peacekeeping troops on the ground in Bosnia would be vulnerable to Serbian revenge.

But in the last few days, whether through an explicit deal or something more subtle, each country has accepted the primary goal of the other.

"On crucial issues, the Americans now agree with the European position," a senior German official reached by telephone in Bonn said. "Our reaction - and that of the British and the French - is that the Americans are doing exactly what we asked for: joining the peace efforts."

The American message to Europe is part of a new strategy, devised in response to the deadly mortar attack on Sarajevo's main marketplace Feb. 5 that links the threat of NATO air power to the promise of peace initiatives. Peter Tarnoff, the undersecretary of state for political affairs, and Charles E. Redman, the State Department's special enway on Bosnia, presented the plan in meetings in London and Bonn on Wednesday, and in Paris on Thursday,

The United States has gone to Europe and indicated we are willing to become directly involved in an intensified effort to find a negotiated settlement," a senior State Department official said. "We are also prepared to take the lead in going bilaterally to the Bosnian government to talk about what makes sense in terms of an ultimate settle-

### Clinton and Yeltsin Make Phone Contact On Bosnia Policy

What if we really had to talk about

The call lasted about 30 minutes. Mr. Clinton said he and Mr.

"Fil let him characterize his remarks," he sided. "But I was en-

Earlier this week, Mr. Clinton

had expressed frustration over his

inability to reach the Russian presi-

dent. On Thursday, White House officials attributed the problem to

Mr. Yeltsin has not been to his

kov, said the problem was not poor health or technical problems. He

said Mr. Yeltsin had waited for Mr.

Clinton to call Wednesday and

Thursday, but the phone never

chnical difficulties."

dacha outside Moscow.

not say anything more."

terization of the situation.

to explain."

"That's not our view of how

things transpired," she said. "There were technical problems, and there

in a related development Friday, Ukraine joined Russia in opposing

outside military intervention in Bosnia and called for renewed peace efforts through the United Nations Security Council.

The Ukrainian Foreign Ministry issued a statement after the two countries' foreign ministers spoke

by telephone, saying their positions on the Bosnian conflict coincided.

The joint statement appeared to reflect a delicate balancing act by

Ukraine, which wants to support

Western initiatives on Bosnia but

not jeopardize recently improved

relations with Russia.

Yeltsin "agreed that the two of us should work to try to bring an

agreement about."

Compiled by Our Staff From Dispatches WASHINGTON - After two an emergency?" days of unsuccessful attempts, Presidents Bill Clinton and Boris N. Yeltsin spoke Friday about the crisis in Bosnia, and the White House said they had agreed to play a "significant role" in ending the

Mr. Clinton's office said he had been trying to reach Mr. Yeltsin for more than 48 hours to discuss the NATO ultimatum to Bosnian Serbs to withdraw big guns from around

Sarajevo or face air strikes. The American president said he believed that some of Mr. Yeltsin's concerns about the threatened air strikes may have been eased.

"We agreed we had the same long-term objective, which was achieving a just peace agreement, and the same short-term objective, to relieve the shelling of Sarajevo," Mr. Clinton said.

"I think he felt better when I emphasized the fact that the weapons left within the 20-kilometer area would be under jurisdiction of the UN, not NATO."

Mr. Yeltsin's press service, reporting on the 30-minute talk, said the Russian had stressed the position that the North Atlantic Treaty Organization lacked the authority to approve such air strikes.

"Decisions on all issues influencing the situation in Bosnia and, in particular, around Sarajevo, must be made only by the UN Security Council," Mr. Yeltsin's press service quoted him as saying.

As part of the NATO ultimatum, allies warned Bosnian Serbs that heavy weapons would be bombed if they were not pulled back at least 20 kilometers (12 miles) from the city by Feb. 21.

Of the difficulty in reaching Mr. Yeltsin, Mr. Clinton said: "No, we laughed a lot about the marvels of modern technology. Even today it was kind of a difficult connection. "He said we have to make sure it never happens again. He said.

### WORLD BRIEFS

### Ex-Head of Irish Terror Group Slain

DUBLIN (AP) — Gunmen shot and killed the former head of an Irish Republican Army splinter group, a man who once claimed he had killed

30 people.
Police suspected that the slaying of Dominic McGlinchey, 40, the former head of the Irish National Liberation Army, was due to internal fending. No one immediately took responsibility. Mr. McGlinchey was killed late Thursday in Drogheda, on Ireland's east coast, the police said Friday. The killers escaped.

On his release from prison last year after serving seven years for firearms offenses, Mr. McGlinchey said he had given up activity in the National Liberation Anny. He had claimed in an 1983 interview with the Sunday Tribune of Dublin that he had killed 30 people in 11 years of bombings, shootings and robbeness in Northern Ireland and on the British mainland. Newspapers had dubbed him "Mad Dog" because of the ferocity of his attacks.

### German Court Acquits 2 Skinheads

SIEGEN, Germany (Reuters) —A German court on Friday acquitted for lack of evidence two skinheads who had been accused of kicking to death a man in this West German town:

couraged by them."
"We agreed that there would be further discussions today at the UN and that we would also keep in Judge Dirk Batz said the killing of Bruno Kappi, 55, in December 1992 could not be attributed positively to the two men. The case against them rested on the testimony of witnesses who claimed to have heard them dmit to the deed.

Prosecutors had demanded juvenile-offender sentences of nine and eight years for the accused, ages 21 and 17. Despite their acquittal, the two will remain in prison for other offenses.

### Space Shuttle Ends 8-Day Mission

CAPE CANAVERAL, Florida (AF) — The space shuttle Discovery and its U.S.-Russian crew returned to Earth on Friday after being forced to stay up an extra orbit because of bad weather at the Florida landing

Kremlin office this week and has not been seen in public since Feb. 4. His press secretary announced Wednesday that the president, 63, "You've paved the way for a new era of cooperation in human space' flight," Mission Control told Discovery's five American astronauts and. had a cold and was working at his one Russian cosmonant after the shuttle touched down at Kennedy Space Center at 2:19 P.M. Crew members were greeted in both English and But a spokesman, Anatoli Krasi-

The cosmonant, Sergei Krikalev, was the first Russian to fly on a U.S. smittle. Discovery blasted off on an eight-day science mission on Feb. 3.

### 5 Somalis Die in New Clan Fighting

MOGADISHU, Somelia (Reuters) — Heavy clan fighting erupted in the southern Somelia port of Kismayu on Friday, killing five Somelia and wounding 15 in what is widely seen as a probable preduce to renewed civil "There were no technical prob-lems," Mr. Krasikov said. "The

A UN military spokesman said gun battles raged for about 90 minutes on Priday morning in Kismayu between the Ogadeni and rival subclans. No UN peacekeepers were involved. Kismayu is a fieldom of General-Mohammed Said Hersi Morgan, who leads the Somali National Front militia and routed rival Colonel Omar Jess and his militiamen in March. on the 9th and 10th, And on our part everything was ready."

Asked what had prevented the conversation, he answered, "I can-Earlier, the White House press secretary. Dee Dee Myers, dis-agreed with Mr. Krasikov's charac-

UN military officers have reported a buildup of militia forces in recent months outside Kismayu in an apparent prelude to Colonel Jess's launching an offensive to recapture his stronghold.

### Hosokawa Restates Nonnuclear Stand WASHINGTON (AFP) — There is no possibility of Japan's deciding to become a nuclear power, even if North Korea develops a nuclear, weapon, Prime Minister Monhiro Hosokawa said here Friday. were scheduling problems. I can't speak to motivation on the part of the Russians. I'll leave that to them

"There have been reports in the last few days that Japan might change its policy should North Korea arm itself with nuclear weapons," Mr., Hosokawa said in a speech prepared for delivery at Georgetown University. "Let me be very clear on this point: I see no possibility that Japan would decide to become a nuclear power."

"I wish the people who write these reports would come to Japan and talk to our people," he said. "Then they would realize how deeply we feel, about this issue." Japan, the only country to have suffered a nuclear attack, has long been committed to a nonnuclear policy.

### 12th Blizzard Flays Northeast U.S.

NEW YORK (Reuters) - The Northeastern United States was paralyzed Friday by the latest in a series of snowstorms that shut down airports, rail networks and most government offices and businesses. The storm, the 12th this season, combined with recordcold temperatures. There was severe weather in the Midwest as well. The federal government shut down all but essential operations in Washington, and most businesses and schools in the capital closed for the day."

The New York Stock Exchange shut down an hour and a half early to allow brokers and their employees a better chance to get home. The Treasury bond market and some commodities markets also closed early. Mayor Rudolph W. Gudiani had advised New Yorkers to stay home from work.

100

R.

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FOR H.

MARIE

As millions of Americans: struggled to cope with the winter, forecasters warned of spring floods in the Mississippi Basin, with potentially severe flooding in northern Iowa.

### On Thursday President Leonid M. Kravchuk said bloodsbed in tary establishment, about the re- Bosnia had persuaded him to acpercussions of air strikes. But, they cept strikes if all other options were said, he did not want to make Can-RELIGIOUS SERVICES exhausted.

TORONTO — Fearing retaliation against its troops on the ground in Bosnia, Canada was a reluctant latecomer to the NATO consensus on air strikes against Serbian positions around Sarajevo. It took pressure from Washingtou, including two last-minute telephone conversations between Pres-

**AMSTERDAM** 

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Carrolici. Masses Saturday Everany 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and 6:30 p.m. 50, avenue Hoche, Pans 8th. Tet: 42:27:28:56, Metro: Charles de Gaulle

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The sudden pressure for an in-

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THE CHURCH OF THE ASCENSION, Sun. 11.45 a.m. Holy Eucharest and Sunday School, Nursery Care provided, Seybothstrasse 4, 81545 Munich (Harlaching), Germany, Tel 4, 4009 64 R fe.

ROME

ST. PAUL'S WITHEN THE WALLS, Sun. 8:30

ST, PAUL S WITHIN-THE-WALLS, Sun. 8:30 am. Holy Bucharsi Ribe I: 10:30 am. Choral Eucharsi Ribe It. 10:30 am. Choral Eucharsi Ribe It. 10:30 am. Church School for chicken & Nursery care provided: 1 p.m. Spans-Heucharsi Va. Nacodi 58. 00:44 Rome. Tej: 295 488 2339 or 28:6 474 2569.

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ALL SANTS: CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharst with Children's Chapet at 11:15 All other Sundays: 11:15 a.m. Holy Eu-charst and Sunday School, 963 Chaussee de Louran, Ohon, Beigum, Tel. 22/2 384-3556.

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air strikes, which it had threatened to veto only last month, also coincides with a formal government retensified allied response to the car- view of the size and scope of its nage in Sarajevo's marketplace military establishment in general Feb. 5 revealed the Chretien goverament's continuing frustration in protecting humanitarian aid ship-putting an independent, and even ments to Bosula in particular.

Canadian sensitivities about its 150 peacekeepers trapped by Serbian forces in Snebrenica, in eastern Bosnia. He said Canada and other allies with troops in Bosnia had ultimately accepted the air strikes

Sources in Washington and Ot-

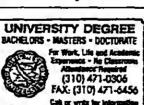
tawa said Mr. Chrétien's apparent capitulation reflected permanent constraints on Canada to act freely on the world stage and outside the orbit of Washington

Sources said the prime minister, in office only three months, had concerns, shared by Canada's miliada the spoiler in the quest for allied solidarity behind NATO's potential first combat mission.

Canada's official ambivalence reflects public opinion.

"Canadians in the abstract have supported this operation and peacekeeping in general," said Pe-ter Gizewski of the Canadian Center for Global Security, an Ottawa research organization. "It's part of the mythology here. But when it comes to facing the incredible difficulties of this situation, most Canadians say: 'Get us out of there. Canadian kids are getting killed."

Canadian soldiers in Srebrenica are due to be replaced by Dutch peacekeepers 10 days after the NATO deadline expires.



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### Security Council Yields to Snow

UNITED NATIONS, New For the Record York — The UN Security Council postponed its scheduled debate on the crisis in Bosnia from Friday to Monday because of a snowstorm in New York, the United Nations an-The council had been due to de-

bate the crisis but without taking any action after a decision by NATO to use air power against any party, particularly Serbian militia, shelling Sarajevo. The debate had been called for by Bosnia and Islamic nations in support of the NATO action. Russia, which has compained about the use of air power, also called for the meeting. But Russia does not have enough

support for a new resolution or tatement that would dilute the NATO decision. The meeting, now scheduled for Monday, was described by the Security Council president as a "free-for-all" discussion and not a decision-making ses-

Millions of Iranians poured into Tchran's Azadi Square on Friday chanting, "Death to America," Tehran radio, monitored in Nicosia, reported. The rally climaxed 10 days of celebrations marking the 15th anniversary of the Islamic revolution.

### TRAVEL UPDATE

### Lebanese Ramadan Opens in a Boom :

BEIRUT (Reuters) Artillery fire boomed out over Beirut, Sidon and Tripoli for the first time since Lebanon's civil war ended more than threeyears ago. But the shots were three blank rounds fired in each city Thursday to announce the start of the monthlong Ramadan fast Friday.

The firing revived a tradition that fell into disuse during the 1975-90 civil war. The guns will fire a single round at sunset throughout Ramadan to announce the end of the daily fast and the occumonial fast-breaking. meal. A second round before dawn will announce the resumption of

American Airlines will offer nonsmoking flights between New York and London beginning May I in response to customer demands. The airline's first evening flight from New York and second morning flight from London will be nonsmoking.

Foreigners entering the United States by land would be charged \$1.50 under a broad immigration plan proposed by Republicans in the U.S.

### Peres Questions the Need To Keep Some Settlements

JERUSALEM — Foreign Minister Shimon Peres on Friday questioned the wisdom of maintaining certain largelf settlements in the occupied territories as Palestinian self-rule begins.

But Israel will not be forced into evacuating them, he said.

Mr. Peres, asked by Israel Radio if some settlements should be

abandoned to secure peace with the Palestinians, said: "Not under the pressure of negotiations." He added: "I'll tell you the truth, there are some questions that

have to be asked out loud. What is the point of maintaining a settlement with 28 families

that needs workers from Thailand, that needs an army platoon to guard them, need to have their road guarded by patrols? Where is the logic? What is the point?"

About 120,000 Jewish settlers live among 2 million Palestinians in about 140 heavily-guarded enclaves in the occupied lands. Hundreds of Thais are employed as farm laborers because settlers are reluctant to employ Palestinians after a rash of killings.

Under the September accord between Israel and the Palestine Liberation Organization, the settlements are to remain during a fiveyear Palestinian self-rule period. They will be subject to negotiation during final status talks, which are to begin two years after the start

A government spokesman said talks on the stalled Israeli troop withdrawal from the Gaza Strip and Jenicho would resume in Taba, Egypt, on Monday. 

### Reluctantly, Canada Gave In to Clinton's Pressure At a press conference Wednes-day, Mr. Clinton acknowledged ident Bill Clinton and Prime politely contrary, stamp on its rela-Minister Jean Chrétien, to bring nons with the United States. haps at more risk if nothing was

By Charles Trueheart

Washington Past Service

the Canadian government around to the French-American ultimaCanada's quandary over NATO

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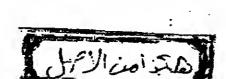
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### THE AMERICAS / TALK

### . Once-Defiant George Wallace Hears Echoes of His Past in Politics of Today

By Peter Applebome

MONTGOMERY, Alabama — His thoughts, he says, are more on the next world than this one, but as he lies New York Times Service beneath a brooding cloud of smoke from his Garcia y Vega cigars. George Corley Wallace is still hoping for redemption before death as well as after it.

"They all talking like me," he gasped, pushing om his words in short boarse breaths. "Nixon. Reagan. Clinton. Welfare reform. Crime. Big government. Taxes on the middle class. They all saying now what I was saying then."

For those who remember him as the defiant voice of the

segregated South in its death throes, there is little that appears familiar in the tired man in the wheelchair who spends most of his time with black aides and talks of his commitment to racial harmony.

But just over two decades after a gumman's bullets tore

into his spine and ended his national political aspirations, Mr. Wallace lives on, a presence at once ghostly and eerily up to date, whose poblical legacy says as much about recent political history as it does about him.

And if his version of his own history is a predictably sanitized one, it is hard to dispute that Mr. Wallace's presidential campaigns, in a particularly raw form, presaged much of the politics since.

He was the first to mobilize the blue-collar white voters who came to be known as Reagan Democrats, the first to tap into the angry disaffection with Washington that has come to dominate the nation's politics, and the first national figure to jab a cattle prod into issues like crime.

race and welfare that still resonate in more polite forms a quarter-century later.

"It is difficult to conceive of what American politics of the 1960s, '70s and '80s would be like without George Wallace," said Dan Carter, a professor of history at Emory University who is writing a biography of Mr.

"I don't think there's a single issue that Nixon and Reagan talk of in terms of social issues that he doesn't get to first," Mr. Carter said.

A new biography, "George Wallace: American Popu-st," by Stephan Lesher, comes to the same conclusion. No fiction could surpass the morality play that has been the life of Mr. Wallace. First was the man who hissed into a cold January wind, "Segregation now, segregation to-morrow, segregation forever." The year was 1963, and Mr. Wallace was delivering his first inaugural address as governor of Alabama

Then came the razor-edged, rightist populism of two presidential campaigns in 1968 and 1972 when he lambasted "pointy-headed intellectuals." "loose-minded, high-livin' bberals" and "briefcase-totin' bureaucrats." Five bullets fired by Arthur H. Bremer at a Laurel, Maryland, shopping center on May 15, 1972, ended it all, beginning a long, pained effort to make amends and find peace that continues still.

At the age of 74, Mr. Wallace is paralyzed from the waist down in considerable pain and almost totally deaf. He suffers from Parkinson's disease and arthritis, and his tant features have long since given way to a jowly old age.

Barbeene in Troy along the way.

A few months hack, he accepted an invitation to attend the National Black Mayors. Conference in Tuskegee. But be rarely makes public appearances and communicates only by responding to written notes. Instead, he

spends much of his time at home in an adjustable bospital bed, lighting up his eigars with a Wild Turkey lighter, watching CNN, and brooding about his place in history. "The New York Times, the Eastern establishment news-papers never did understand that segregation wasn't about tableau in which they are actors, and say no, no, he does hate," be said, his eyes watery hut clear. "I didn't hate not. anybody. I don't hate the man who sbot me. When I was young, I used to swim and play with blacks all the time.
You find more hate in New York Chicago, and Washington, D.C., than in all the Southern states put together.

Segregation was wrong, "he said, as he has for much of his life since the shooting, "But I didn't bring segregation about. It was there when I got to the governor's office. It's

It is a theme he bas voiced for 30 years, and historians may forever debate how much of his defense of segregation reflected bigotry, how much was a cynical political gambit and how much reflected the rage that surged hrough the South at the specter of Northerners telling

them how to run their society.

Mr. Wallace maintains that he supported segregation not because of racism but because ne believed - incorrectly, he now says — it was best for whites and blacks. raw menace that pervaded his national campaigns in 1968

Montgomery two or three times a week and eats lunch issues as few national politicians have, it is also true that contemporary. most days at Morrison's Cafeteria or Martin's Cafeteria. he has spent the last two decades seeking redemption,

> On some level he knows, as Mr. Lesher's book says, that Like the imagined indelible bloodstain on Lady Mac- control of government and other institutions. neth's hands, the stains of racism on Wallace's reputation will never be washed away."

Still he argues his case.

One by one, he calls in his two black attendants, Eddie Holcey and Jimmy Dallas, and a hlack state trooper. Benjamin Hamilton, asking them if he hates blacks.

gone, and I'm glad it's gone. It's so much better to see people together the way they are now." Even before he was shot, Mr. Wallace realized he had

made a Faustian bargain with race, It added a visceral intensity that fueled his national candidacy, but it left him too far outside the political mainstream to be elected

But aside from his stand on segregation and the air of

He now goes to his office at Troy State University in But just as it is indisputable that be inflamed ugly racial and 1972, there is little in those races that is not strikingly

عكذامت الأحيل

"What are people going to worry about in the '70s?" he Most weekends be is strapped down in his van and driven to his hometown of Cho. 60 miles 100 kilometers) appearing at black churches, forging political alliances and being elected to bis fourth term as southeast of Montgomery, stopping to eat at Wilson's governor in 1982 largely because of black support. things in our program - taxes, law and order, local

Asked in a recent interview what his main issue would be today, he returned to a favorite theme and said, \*Changing our asinine tax structure and stop taxing the

Asked about political figures, he is generally approving of President Bill Clinton, less so of former President Ronald Reagan, whose economic policies he says are responsible for the high federal deficit.

Not long ago, Mr. Wallace made one of his few public appearances in recent years, appearing at a local mail with Mr. Lesher to autograph copies of the biographer's book. He came bearing a prepared statement. On segregation, he was contrite: "I was wrong, and I'm sorry. I don't expect people to forget words and deeds that might have burn them, but I ask that they try to remember actions designed to help them."

On race, he sounded like a New Democrat. "I'm frankly concerned that much of this country is turning away from trying to overcome our differences and is retreating to resegregation." he said. "If it was wrong when I was supporting it, it's no less wrong now."

# CARNIVAL BEGINS - Mayor César Maia of Rio de Janeiro giving a key to the city to the pre-Lenten festival's king and queen.

### In U.S. Gene Fight, Patent Not Pending

By Rick Weiss

hington Post Service WASHINGTON - After more than a year and a half of legal manenvering and scientific controversy, the National Institutes of Health has decided to give up its effort to obtain patents on thousands of pieces of human DNA discovered by federal gene hunters.

In so doing it effectively surrendered any profits that might have accrued from the discoveries.

I do not believe that patenting at this stage promotes technology development, and it may impede important research collaborations here and internationally," said the institutes' director, Harold Var-

**AMERICAN** 

**TOPICS** 

Speed of Electronic Returns

Leaves IRS Open to Fast Fraud

The U.S. Internal Revenue Service's four-

year-old system for allowing taxpayers to file their returns electronically has brought with it a wave of fraud that cost \$24 million last

year, federal investigators say. Electronic re-

funds are issued so quickly that the service

cannot check all of them in time to catch

False filing by computer more than dou-bled last year, the Los Angeles Times reports. The service "has perfected the art of using its

computers to give out tax refunds quickly

without making a corresponding effort in the area of fraud controls, said Representative J.J. Pickle, Democrat of Texas and chairman

of the House Ways and Means oversight

Thievery is relatively easy because the IRS

often has as little as two days to investigate

The decision marks a turning point in an acrimonious debate over the legal and ethical merits of patenting fragments of genetic ma-terial, no matter how valuable they may prove to be. Patent holders get exclusive rights to the use of their discovery for 17 years.

In a few cases so far, rights to newly discovered genes have translated into highly profitable diag-nostic tests or medicines, such as the blood-clotting factor for hemo-

Patents have been awarded for complete human genes — the long stretches of DNA that tell cells what to do. But the patentability of portions of genes has remained unresolved since the institutes first

**Short Takes** 

pnt the question to the patent office in 1991. Opponents of such patents have argued that biomedical research would be stymied if such fundamental pieces of life were subject to monopoly ownership.

Despite the institutes' decision.

the question of the patentability of gene fragments is not about to disappear. Noting that private and academic research institutes are actively pursing such DNA patents, Dr. Varmus called for continued public dialogue on the issue.

He said scientists might be less inclined to pursue certain research if they were afraid of being locked out of rewards by others who had gained patent rights to the strands of DNA they were working on.

and stop a fraudulent refund after an elec-

tronic filing, compared with four to eight

weeks for the traditional paper return.

Last year, 12 million of the 115 million

Should pilots be examined for personality defects as well as mental and physical prob-

plane crushed near Hibbing, Minnesota, killing all 18 people aboard. Speculation about the cause initially focused on icy weather, but colleagues of the pilot, Marvin Falitz, said he

was an angry man, deliberately jostling pas-

sengers to spite his employer and sometimes bullying or striking his co-pilots. They said be was in an especially foul mood the day of the accident because he he had been assigned to

fly on his day off the following day.

Colleges and universities are streamlining the admissions process in the increasingly

competitive world of college recruitment.
Many schools are giving students a decision

carrier. Others are accepting applications by computer, or giving instant estimates of fi-nancial aid. Filling out the forms is also

getting simpler. And colleges are increasingly

ions process in the increasingly

lems? On Dec. 1 an Express II commi

nal returns were filed electronically.

Many scientists agreed. "I think Dr. Varmus made exactly the right decision," said Eric S. Lander, director of the genome center at the Whitehead Institute for Biomedical it's still very hard to find uses for took office. these genes. So to grant a monopo-ly to a discoverer of a sequence is the phrase "homosexual orientasilly. We need to offer incentives to tion" at three points, inventors who can find uses in bu-

public after a patent is granted.

man health."

Patent proponents, however, have argued that patent law actual-ly enhances the sharing of new in-a bar to service . . . unless manifestthe details of a discovery be made

formation, because it requires that ed by homosexual conduct."

using a common application form produced by the National Association of Secondary School Principals.

obviously have their hearts in their work -so much so that they often win awards, The New York Times notes. Robert De Niro put on 50 pounds (about 22 kilograms) to portray the aging boxer Jake LaMotta in the 1980 film "Raging Bull" and won an Academy Award. Tom Hanks dropped 30 pounds to play an AIDS sufferer in the new film, "Philadel-bia" and quickly won a Codder Globe phia" and quickly won a Golden Globe. Ralph Fiennes put on 30 pounds to play the sadistic Nazi in "Schindler's List," has won awards from the National Society of Film Critics and the New York Film Critics' Circle and is a likely candidate for an Oscar. Liam Neeson, who plays Schindler, refused to put on weight and has thus far won nothing.

Actors who lose or gain weight for a role

Minor-league baseball's Rancho Cuca-monga Quakes in California play in a new stadium called the Epicenter, Their mascot is named Tremor and their newsletter is called The Rumblings.

Arthur Higbee

### Court Rejects Limits on Congressional Terms

By Dan Balz

igion Pest Service WASHINGTON - A federal judge has dealt a sharp setback to the movement to limit politicians' terms, ruling that the state of Washngton's law capping congressional terms is un-

The measure, approved as a ballot initiative by Washington state voters in 1992, would limit House members to three two-year terms over 12 years and members of the Senate to two sixyear terms over 18 years.

Known as Initiative 573, the law is similar to initiatives approved in 14 other states since 1990 as part of a grass-roots rebellion against

The Washington case has been closely watched by both sides of the fight as the first step in resolving whether the constitution would bar the electorate from imposing such limits on incumbents.

Among those who challenged the measure in court was the House speaker, Thomas S. Foley. Democrat of Washington, who would have to retire in 1998 if the law is upheld.

District Judge William L. Dwyer, in a broad ruling, said Thursday the Washington term limits initiative was unconstitutional because it wrongly tried to add qualifications for congressional candidates beyond those stipulated in the constitution - age, citizenship and residency in the state represented.

"A state may not diminish its voters' constitutional freedom of choice by making would-be candidates for Congress ineligible on the basis of incumbency or history of congressional service," Mr. Dwyer wrote.

The judge also said the measure violated the First and 14th Amendments to the constitution. describing the term limits initiative as imposing "unduly restrictive" ballot access requirements on incumbent candidates and inimical to the "freedom of association" guaranteed by the First Amendment.

He said the term limits initiative "is aimed not at achieving order and fairness in the process" of elections "but at preventing a disfavored group of candidates from being elected at

### U.S. 'Edits' Bill on Gays To Placate 2 Senators

By Ruth Marcus Washington Post Service
WASHINGTON — The Clinton

administration bas agreed to delete language from its regulations on homosexuals in the military stating that "homosexual orientation alone is not a bar to service.

But administration officials contended the difference was an editing change that had no effect on the substance of the regulations.

The move came in response to complaints from Republican senators about the new regulations and appeared to end the emotional de-Research in Boston. "It's easy to- bate over a subject that has dogged day to find sequences of genes, but the Clinton administration since it

As originally drafted by the Delense Department, the regulations say "sexual orientation is considered a personal and private matter.

Under the change, the words "bomosexual orientation" are dropped, but the phrase about orientation being a private matter remains, and the sentence now reads that "sexual orientation is considered a personal and private matter and is not a bar to service." The regulations continue to ban "homosexual conduct."

Therefore, officials say, there has been no actual change in the content of the regulations.

"We strongly maintain the principle that sexual orientation in the absence of conduct cannot be a bar to military service," a senior administration official said.

The regulations were issued in draft form and were supposed to go into effect earlier this month, but were delayed early last week. At one point, Senators Strom Thurmond of South Carolina, and Daniel R. Coats of Indiana, both Republicans, threatened to hold up confirmation of Defense Secretary William J. Perry over the matter.

A source familiar with the nego-

tiations said Thursday that Senator Sam Nunn, Democrat of Georgia and chairman of the Armed Services Committee, had worked out the compromise language, which avoided the prospect of another

### White House Spins the Record

WASHINGTON - The White House concedes that it deleted the word "lie" four times in issuing a sanitized electronic version of a press release attacking a critic of President Bill Clinton's bealth

"We reserve the right to edit," said the White House press secretary. Dee Dee Myers, after another official denied that a change bad been made. The alteration has angered at least one computer buff, a California lawyer, Justin Roberts. He suggests that the White House isn't being completely honest on the subject of lies.

"Let's not use the 'information superhighway' to distort publie documents," he said.

Mr. Roberts said he had been surprised when he dialed up White House documents on his computer and found a watered-down version of a press release denouncing a New York scholar. Elizabeth article she wrote on the Dea

care plan in The New Republic magazine. The original 10-page White House press release had used the phrases "blatant lie" and "yet another lie" to dismiss ber criticism of the plan and was widely distributed in Washington.

The version available to subscribers of on-line computer services was far milder, replacing "blatant lie" with "that is wrong" and other less controversial language.

### Republicans Delay Talbott Vote

WASHINGTON - The nomination of Strobe Talbott as deputy secretary of state is on hold for a couple of weeks.

The Senate was set to take a quick vote on the nomination Thursday, but Republicans blocked it. Lawmakers agreed to vote on the former journalist's nomination Feb. 22, the day they returo from a Presidents' Day recess.

The Republican objection was announced by the party leader in the Senate, Bob Dole of Kausas. He did not say which Republican bad thwarted the

### Quote/Unquote

Mr. Dole: "Unfortunately, our image and posi tion abroad is on the same downward spiral as during the Carter years, when the United States was feared by none, respected by few and ignored by many. The bottom line is that America, under the Clinton administration, is abdicating American leadership at the United Nations, at NATO and around the globe."

### **Away From Politics**

 A reporter who was jailed for refusing to testify before a grand jury, was released Thursday. Lisa A. Abraham, a reporter for The Tribune Chroni-cle, of Warren, Ohio, served 22 days in jail, longer than any U.S. reporter in a decade. A prosecutor. had tried to compel her to testify about an indicted county official she had interviewed.

• The state of Florida, arguing that the federal government should bear the costs of illegal immigration, has begun denying foster care to immigrant children who are in the state illegally.

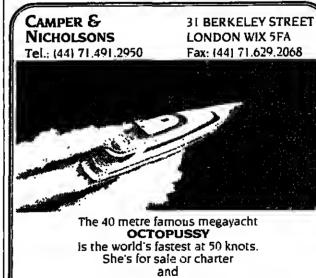
 Pregnant women who smoke 10 or more cigarettes daily bave children with significantly lower intelligence than the children of nonsmokers, according to a study by Cornell University and the University of Rochester. WP. NYT. AP

### Texas Senator Is Acquitted The Associated Press

FORT WORTH, Texas - Senator Kay Bailey Hutchison, a Republican, was acquitted of criminal ethics charges Friday because the prosecution gave up before trial, ending months of wrangling over ber tenure as state treasurer. Prosecutors decided not to proceed because the judge refused to rule on whether evidence seized in a raid of the state treasury could be used.



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### De Klerk's Party Enters Race | Receding Wages

Compiled by Our Staff From Dispatches
JOHANNESBURG — The governing National Party registered Friday for South Africa's historic election, amid increasing concerns that white extremists would use violence to disrupt the all-race vote.

President Frederik W. de Klerk's party was the fifth to register. The African National Congress, which is expected to sweep the vote April 26 to 28, signed up Thursday, which made it the first formerly banned

Smaller parties - including the liberal Democratic Party. which was the official opposition during much of the National Party's four decades in power have also officially committed themselves to run in the first national election to include the black majority.

Under South African law, parties have until Saturday to register. But the government said Thursday that the deadline could be pushed back, and efforts were redoubled to get conservative blacks and whites to participate in the vote.

The rightist Afrikaner Volksfront, which seeks an independent white homeland, said Thursday that it would boycott the vote and work to prevent its taking place. The Volksfront coalinon says it represents the nation's 3 million Afrikaners, the descendants of early Dutch set-

Ferdi Hartzenherg, whose pro-apartheid Conservative Party is a member of the Volksfront. said whites would rely on peaceful means to resist the vote, but added, "A little bit of violence might be necessary for defensive

Whites opposed to majority rule have threatened civil war. They are not considered a major military force, but they could be a serious threat to a fair and peaceful vote.

Meanwhile, the ANC president. Nelson Mandela, made an emotional return Friday to the Robben Island penal colony where he had spent almost a third of his life for fighting apart-

The visit on the fourth anniversary of his release from 27 years in prison was a highlight of Mr. Mandela's campaign, which

Continued from Page 1

which is a Norwegian delicacy, will

remain high for many years.

The prospect of the 1994 Olympics coming to Lillehammer, a

tranquil lakeside village, filled

many of the town's 23,000 inhabit-

ants with dread, even though they

realized that it was perhaps their

only hope for an economic revival.

organizing committee reached out

in a gesture of reconciliation to

conservation groups that had op-posed the hid for seven years.

for the environment, because they

are too hig and use too many re-

sources," said Kare Okrud of the

Norwegian Society for the Conser-

vation of Nature. "But we had to

face reality. Since we lost the battle

to stop the Games, we decided to

14 Killed by Cold in Moscow

Agence France-Presse

died of cold in Moscow in the past

week, and 110 more were treated

for hypothermia, the city's deputy

health chief said Friday. Tempera-

tures were around minus 25 degrees

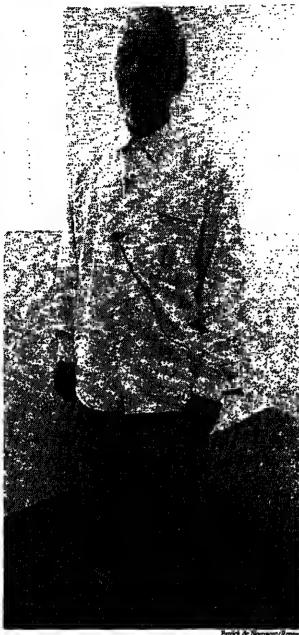
centigrade (minus 8 Fahrenheit).

MOSCOW -- At least 14 people

cooperate to limit the damage."

"No Olympics can ever be good

The city fathers and the Olymi



Nelson Mandela during a campaign visit Friday to Robben Island prison, where he spent 19 of his 27 years in detention.

is expected to carry him to the

presidency. Accompanied by other former political prisoners and a group of journalists, Mr. Mandela visited the prison, on a tiny island 11 kilometers off Cape Town, where

he spent 19 of his 27 years of incarceration. He seized the opportunity to

The activists were promised that

the environment would carry an

equal priority with sports and cul-

ture at the Games. Much to their

surprise, they found that their ad-

vice carried weight. An albance

called the Project for Environment-

Friendly Olympics was given a powerful voice in keeping building

standards attuned to nature's

Despite fears of many contrac-

tors that the alliance's demands

would be hard to satisfy, the search

for nature-sensitive construction

Contractors, for example, dis-

'It's still a scar in nature but at

covered new routes to build a bob-

sled and luge track in better harmo-

ny with the contour of the forest.

least it's more discreet," said Kath-

rine Kjelland, the liaison between

Olav Myrholt, the project's man-

ager, said, "Businesses were happily surprised to find that strict stan-

dards to protect the environment

actually helped them to create new

products that will be very profit-able exports."

Among the new designs pioneer-

ed at the Lillehammer Games are

the environmentalists and the Nor-

wegian Olympie Committee.

yielded unexpected benefits.

challenge Mr. de Klerk, who is claiming credit for having destroyed apartheid hy turning around the National Party. "Of course, he had the key to

the prison doors," Mr. Mandela said, adding, "That is the only extent to which he was responsihle for bringing about change."

chlorine bleaches.

Lyckeby Biopac, which made the

900,000 plates and 3 million knives,

forks and spoons that can be fed to

expects to find lucrative markets

ahroad for disposable tableware

because of its edible components.

"This is a good example of the effect we wanted to achieve," said

Sigmund Haugsja, the Games' en-

they would produce a guide to help future Olympic cities limit damage

to nature. The environmental mes-

sage, they said, will be demonstrat-

A six-member dogsled team

comprising three Norwegians, an

American, a Japanese and a Rus-

sian will depart when the Games

end Feo. 27 for a 16,000-kilometer

The Lillehammer organizers said

ronmental coordinator.

ed at the closing ceremony.

we protect ourselves.

GAMES: Norway's Environment-Friendly Olympics

ice machines powered by batteries In addition, the flood of new instead of propane gas. The new method is safer, cheaper and nontechnologies enhances the earning power of younger college gradu-ates, who are not only in closer polluting. Norwegian firms also touch with the latest improvements have found more effective ways to make paper without the use of toxic but also willing to accept less pay

"Perhaps in the past, there was a you were worth more, you were at the management firm Towers Perrin. "And I think these days the presumption is not necessarily

### Russia Nuclear Fire Cuts Power in Belarus

MOSCOW - A fire at a Chernooyi-type nuclear power plant in the Russian city of Smoknisk hriefcountry of Belarus, but no one was injured and no radiation was reicased officials said Friday. The fire on Thursday night in a

(10,000-mile) trek across Siberia to Nagano, Japan, the site of the 1999 Olympics. There, they plan to de-liver the lesson of the Lillehamme: Games: that by protecting nature.

BELJING — Deng Xiaoping, long seen as the unchallenged arbiter of political life in China, is now a symbolic leader, aged and

years and a hard life had ravaged him.

of his daughters, with a vacant look in his By comparison, the million or so eyes, walking with fumbling steps, his mouth college-educated women in this age hanging open. group have seen their inflation-adjusted incomes rise slightly since 1988. But, at \$25.818, their median is still well below that of their male

holds, the women's earnings have cushioned the men's losses. Mr. Levy was among the first economists, a decade ago, to spot the downturn in wages that hit workers with only a high school education. It is now taken for granted in America that a high school education is not enough to command a good wage in today's

workplaces. But in the early 1980s, many economists argued that the prob-lem would pass, that it had grown out of recession and other temporary setbacks and was not a perma-

efficient, technology-oriented

OLD:

Continued from Page 1

wages rise with age, is not so true

Both the Census Bureau and the

Labor Department have confirmed

the findings. "These are middle managers and engineers whose

wages have apparently grown be-

vond their contribution to the com-

pany," saio Thomas Plewes, an as-

sociate commissioner of the Labor

Department's Bureau of Labor Sta-

peers - although in many house-

any more," Mr. Levy said.

Now the downturn in the wages of college-educated middle-aged workers is beginning to produce similar discussion. There is the argument, for example, that men turning 45 in recent years entered middle age already earning less than men of the same age a decade earlier and that they are the ones

dragging down the median income. But Mr. Levy says that most of the decline has come in just three years, which means that most of the men affected had already entered middle age before their incomes

Many of the middle-aged, college-educated workers appear convinced that there has been a structural change, as do the management firms and ontplace-

ment clinics that help them. They speak of the widespread phenomenon of older, collegerained mea who have been laid off from well-paying jobs at large companies and, after months of job hunting, have taken work at lower pay, often at small companies. Or they try to regain their old incomes through self-employment.

Other charges are contributing to the hard times for these middle-aged workers. The oldest "baby boomers" are now in their late 40s, and their numbers tend to depress wages, as they have in the past.

than older workers seek.

presumption that if you were older, more savvy, more experienced." said Susan Rowland, an executive there.

### The Associated Press

is out electricity to the neighboring

transformer cutside the reactor complex did not force the plant to shut. It was extinguished within 30 minutes, according to the Ministry

### Deng's Weakened State Shocks Chinese

shadowy battle for influence may be unfold-

grave, completely unaware of what was going on around him," a diplomat said.

He added, "The man we saw on TV can no

"He looked like he had one foot in the

Agence France-Presse

weak, diplomats here say.

The shift in perception of Mr. Deng, hith-erto China's unofficial but paramount chief, was dramatically triggered by new television footage late Wednesday that showed how 89 Foreign and Chinese viewers were shocked

He was filmed surrounded by well-wishers

at a reception in Shanghai to mark the Lunar New Year, in an evening news clip that was no doubt aimed at conveying a message of stability and continuity.

longer be presented as the supreme leader, responsible for top decisions. Mr. Deng has had no official position in China since 1990, although he is still president of the China bridge players' association. to see Mr. Deng supported at the arms by two Yet, he has always been seen as remaining at

ing behind the scenes.

the center of power, thanks to his prestige as one of China's original revolutionary leaders. and his years in power after the death of Mao. "This may be the last time we see Deng on television," a Chinese journalist said.

"What struck me most were his eyes," a

diplomat said. "They did not turn towards the person speaking to him or who wanted to shake his hand, just as if he were blind."

instead, it left many to ponder on the prospect of change, and to speculate on what By comparison, a contemporary and former rival of Mr. Deng's, the economist Chen Yun, 88, seemed in much better shape. He was seen talking brightly and apparently in full possession of his critical faculties.

"It's hard to image how anyone can consult Deng on big political questions," the diplomat said. "He's obviously unable to make up his mind, or continue to play bridge for that matter, despite what his relatives and entou-

More likely, it's the entourage which decides things in his name, like Jiang Qing did

for Mao before he died." Jiang Qing, Mao's widow, was one of the extreme left Gang of Four, which used its leverage over the declining Mao to reinforce its campaign against counterrevolutionaries.

### TRADE: Clinton and Hosokawa Fail to Bridge Gap at Summit Meeting

### Continued from Page 1

finance trade subcommittee chairman. Max Baucus of Montana, have nrged tougher trade

action against Japan. Mr. Kantor and Foreign Minister Tsutonm Hata met early Friday in a last-minnte effort to reach a trade deal before the summit meeting. That three-hour session ended at about 4 A.M. with no breakthrough. Mr. Kantor said be was "not optimistic" of reaching a deal with Japan in time for the Clinton-Hosokawa meeting.

Mr. Hata, in Washington a day early to try and spur the talks, added to the gloom, saying it was "still uncertain" if the two sides could break the long impasse in the final few hours. A U.S. official said the single biggest obstacle was Japan's refusal to agree on indicators to measure progress in opening its markets in

The leaders of Japan's governing coalition say the political situation at home is so fragile that they need more time to consider the Clinton administration's trade demands. Mr. Hosokawa recently pulled together last-minute agreements with his party on political and tax reform after several setbacks.

He is being forced to move carefully, analysts said, for fear that opening Japanese markets to a flood of American goods would spark a furor

among many industries that would face lowcost competition from American companies.
U.S. officials said the Japanese had been hoping that the \$140 billion economic stimulus program they announced last week — to en-courage the Japanese to import more — would

soften some of the American demands. Bul American officials said that they viewed the Japanese stimulus as insufficient because it involved only a one-year tax cut, which is not enough to change spending patterns. As a re-sult, this increased, rather than softened, the Clinton administration's desire to have con-

**BOSNIA:** 

crete, measurable market-opening agreements.
(Reuters, AFP, Bloomberg, NYT)

### COUNTDOWN: NATO Sends Carriers and Jets

Continued from Page 1 rier Ark Royal and the French carrier Foch were on their way to the

Adriatic. "We are about to go potentially into the biggest thing NATO has ever been involved in, so you start out big and scale back when you

can," said a NATO official. One advantage perceived by Western military planners is the long period of preparation hy U.S. and other Western pilots, who are helped in pinpointing targets by so-called forward controllers already

"It's really rather unprecedented in a combat theater to have this dress rehearsal for so long," said a Western official.

on the ground in Bosnia.

"We are intimately familiar with

Continued from Page 1

tervention, saying that he had been urging both the Americans and

Russians to become more involved

"So we're totally in favor of it,"

he said. "We need all the help we can get from the United States and

But it is far from clear that the

new American "weight" in the ne-

kind of settlement Lord Owen and

Thorvald Stoltenberg, the UN me-

diator, have been pressing here re-

cently. It is based on the partition

of Bosnia into three separate ethni-

cally hased republics that are

quickly expected to declare their

independence, with the Croatian

and Serbian ones joining Croatia

Neither the Clinton administra-

tion nor the Bosnian government

this partition plan, and the Bosni-

ans may now insist that a proposed

has ever shown any enth

and Serbia.

ACROSS

tiating process will facilitate the

"for months and months."

the Russian federation."

said. "The guys who have been fly-ing in Bosnia know the terrain better than the terrain around their home bases."

During Operation Deny Flight, NATO fliers and intelligence oper-atives have gathered what they believe to be an accurate picture of Bosnian Serb dispositions and, according to pilots speaking to reporters at Aviano base on Friday, U.S. and other pilots feel they are

equipped to hit their targets. However, a NATO official said, "the issue is the concern of everyone on the ground and their vulnerability to reprisals of some sort."

Apart from military reinforcements, the official said. Admiral Jeremy M. Boorda of the U.S.

TALKS: U.S. Envoy Joins Bosnia Meetings in Geneva

country be given real substance.

Mr. Silajdzic reported Friday night that there had been no pro-

gress in the talks and that the Bos-

nian Serbs had stated they were no

Another unknown now is wheth-

er the Bosnian government will still accept only one-third of Bosnia for

what was supposed to have been

the Muslim majority republic, Af-

ter first accepting the one-third for-

share either on the battlefield or at

the negotiating table. One of Mr. Redman's first tasks

will be to help the Bosnian govern-ment develop a "bottom line" for

its territorial demands and to de-

fine more precisely what lands it

feels must be included for it to

The Bosnians have listed seven

districts and towns in eastern and

northern Bosnia that once had

establish a "viable state."

longer in favor of a union at all.

The possibility of air strikes from air bases in Italy has raised particular alarms in this country because of threats by ultranationalist Serbs

NATO has decided.

more than one-third.

They have also demanded con-

trol over seven towns in central and

southwestern Bosnia where Mus-

lims had no clear ethnic majority

before but that they are contesting

for control with the Bosnian

U.S. Recognition

ATHENS - Prime Minister An-

dreas Papaudreou said that Greece

was disturbed about U.S. recogni-

tion of the former Yugoslay repub-

lic of Macedonia on Greece's

"We are very, very disturbed by this decision," Mr. Papandreou

told said after meeting some of his

northern border.

chief ministers.

recognize Macedonia

Essentially, that was that "we are

in a position to respond" to UN

commanders requesting air strikes, a NATO official said, "but they

must ask. We are not in a position

to do anything unilaterally."

to attack Italy in some way or other. But Defense Minister Fabio Fabbri has dismissed the warnings Navy, the commander in chief of

aimed at keeping Bosnia a united these areas would give them far

mula, it had recently been signaling its intention to acquire a larger Disturbs Greeks

### Cease-Fire Holds the terrain and targets," the official NATO forces in the region, has twice visited UN commanders in Zagreb, Croatia, while other senior U.S. officers have visited com-Continued from Page 1

manders in Sarajevo "to make sure control as promised, il could avert that everybody understands" what a threat by the North Atlantic Treaty Organization to launch air attacks on the Serbian gun posi-tions. The alliance has demanded the removal of the artillery before Feb. 21. Meanwhile, Radovan Karadzic,

leader of the Bosnian Serbs. disavowed the remarks of one his senior generals who had warned that UN aid workers would not be allowed to leave Bosnia if NATO warplanes attacked.

Mr. Karadzic gave assurances to the UN High Commissioner for Refugees, Sadako Ogata, whose spokesman said in Geneva, "Our relief workers will have free pas-sage in and out of Bosnian Serb territory and their safety continues to be guaranteed."

On Wednesday, three UN relief workers were stopped at gunpoint by Serbs from leaving the northern Bosnian town of Banja Luka to go to Croatia. But aid convoys were said to be running normally.

General Milan Gvero, a senior Bosman Serb general, had threatened Thursday that the Bosman Serbs would prevent aid workers from leaving in the event of NATO

NATO threat against Serbs after a mortar killed 8 people in a Sarajevo market Feb. 5, although the UN peacekeeping command said that it could not determine which side was responsi-

ble for the attack. The UN secretary-general, Bu-tros Butros Ghali, said Friday that he had delegated authority to his special representative in the former Yugoslavia both to initiate a first air strike against gun positions around Sarajevo and to order close Washington on Wednesday be-came the latest of Greece's allies to anywhere in Bosnia.

(Reuters, AP)

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and Size

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### BOOKS

LENIN By Tiziano Terzani. Translated

from Italian by Joan Krakover Hall. 388 pages. £5.99. Paperback. Picador. Reviewed by

Philip Bowring

CARR'S

M ANY people are jealous of journalists, paid to do what others pay for. But this is a book to make journalists jealous of each other. Tiziano Terzani has had 25 years of Asia, a quarter century of being in the thick of the obvious things - the latter days of the

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IRISH

**BESTALIRANT RAS** 

COODNIGHT, MISTER Vietnam War, Beijing in the after- names on Soviet maps, whose very fic-bound NIC-dom. But it takes more than the average

luck to be off the well-beaten journatistic tracks of Asia, poking around the backwoods (literally) of the Soviet Far East just at the time of the failed putsch that signaled the self. end of the Soviet Union, of communism and of Russian empire. Instead of rushing off to Moscow to be in the thick of things, and

fellow journalists, in Red Square, Terzani makes an uncertain way by beat plane and train through the republics of Central Asia and the Caucasus observing their sudden re-emergence as real live places. One day they are disembodied

PARIS 15th

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math of Mao. Tokyo during the obscurity had seemed to suggest boom. Bangkok's transition to traf-that the heirs of Lexin had solved the "nationalities problem" without compromising the revolutionary's anti-imperialist rhetoric. The with histories older than Russia it- and other peoples.

> when he made his journey aimos: rich and largely empty territory long ago colonized by Russians but now suck in needless squalor created by socialist-inspired apathy and Soviet-inspired fear. But it is in his accounts of the

publics that he is at his best. Here we are meeting the likes of President Zviad K. Gamsakhurdia ef Georgia as he makes his entry onto the world stage. Tergani is nearby for bloody clashes between Uzbeks and Kyrgyz in Kyrgyzstan, sees the fall of Lenin's status in the Tajik capital Dushanbe, where he also meets characters ranging from unreconstructed Communists, to followers of the late Avatoliah Khomeini to nationalists who have the contempt that Persian-specicing peoples often have for their Turksh-speaking neighbors.

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Indeed, the book is a primer for anyone wanting a basic understanding of the history, cultures and nationality issues of the region. the problems created by Stalin's mass migrations and boundary denext they are flesh and blood. Innextions, and the relative social assessment sometimes bloody, nations, some and economic roles of the Russians 25 Awed, in a way Terrani may have been a jour-

nalist on his first visit. But he had 28 Barnaby Jones Terzani's descriptions of people and places are as relevant now as done his reading, and he skillfully weaver history, ancient and modthree years ago. The failure of the erm, into his traveler's tales, if that 31 English Channel Soviet system is perhaps nowhere sounds unexceptional, how many more stark than in the Far East, a journalists bother? How many mide themselves on reporting only what they are sold in interviews? Terrain: not only sketches in background, but shows healthy aware40 Crème ness of the exaggerations, special 44 Actor Frobe of eading and descripht lies with which journalists are daily con- 45 When I Fall in central Asian and Caucasian refronted but which make so much "straight reporting" into dishonest gjábansb.

Terzam foes some special pleadthe of his own. His demain of so- 50 malism seems a mea culpa for his CAR FAST His preferable for Soviet actioner entity in science remand one of Japanese was runtil recently) on the United States. He attacks the economic failures of socialism and the exclusive disasters wrought by the Seviet Union. Yet he forgets that if it was the Soviets who first worshapped the labe god of growth, the true believer are now the capital-

But these are modest failings of an enjoyable and informative book. Terzani is an Italian who writes mainly for a German audience and converses meanly in Emplish. As such he harbors some Pan-European prejudices, but the appeal of this work is global. Tereman may be made Internal

Solution to Puzzle of Feb. 5-6

### **ELAND By Cathy Millhauser**

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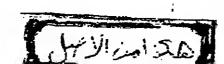
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### **Deal Directly With Korea**

The Clinton administration insists it will never subcontract its foreign policy to any international institution. Yet it is doing just that in its nuclear diplomacy with North Korea. It is letting the International Atomic Energy Agency decide how to carry out a deal Washington reached with Pyongyang By changing the terms of that deal, the IAEA could embroil the United States in a dangerous confrontation on the Korean Peninsula.

The LAEA is supposed to be negotiating detailed arrangements for inspections at all North Korea's declared nuclear sites. These inspections are designed to ensure that nuclear safeguards are in place. More thorough regular inspections, which could impede the diversion of nuclear material to bomb-makme would not resume until the United States holds a new round of high-level talks with the North. Inspections of suspected nuclear waste sites to determine whether such diversion has already occurred have yet to be negotiated.

But the IAEA, which does not like to see member states trifle with its procedures, is asking for more intrusive access to a reactor site than the North agreed to with Washington, according to Pyongyang.

The United States now needs to try to

break the deadlock between North Korea and the IAEA before the agency refers the

matter to the United Nations Security Council, which has the power to impose economic sanctions on Pyongyang.

The danger is that the drumbeat of war may drown out diplomacy. The administration is considering the dispatch of Patriot missiles and other military forces to shore up the South. And members of Congress have, perversely, called for putting nuclear arms back into South Korea. Ratcheting up the threats may appease the hawks at home, but it boisters bard-liners in North Korea, who could use such threats to justify proceeding with the development of nuclear weapons.

Reinforcing the South makes sense if and when the United States decides to abandon diplomacy and press for economic sanctions. Such sanctions would likely end all bope of inspecting North Korea's nuclear sites and could lead to the resumption of confrontation in Korea. Given Pyongyang's unpredictabili-ty, reinforcements would then be prudent.

But it is premature to be taking such steps now. The United States should be doing what it can diplomatically to gain unimpeded ac-cess to North Korea's nuclear sites, step by grudging step. And it should not leave it up to the IAEA to overreach and thereby trigger a confrontation with North Korea.

### **Patiently Pushing Science**

The American president and vice president bave made no secret of their enthusiasm for science or of the dramatic advances they expect from a judiciously applied technological breakthrough here and there. That picture shows forth clearly in the science budget sent up by the administration, although, given the tight money situation, its outlines are faint. Small increases for the research agencies are the rule, with substantial increases for specific areas in which the president's interest is well known - a breast cancer research fund, a women's bealth initiative within the National Institutes of Health, an Environmental Protection Agency boost that goes almost entirely to environmental technology initiatives. The biggest percentage increase - 70 per-

cent, though not many dollars - goes to a tiny and previously invisible branch of the Commerce Department called the National Institute for Standards and Technology, which gives grants to private businesses for technology research projects judged to be able to benefit the economy as a whole. (One of its previous accomplishments was the improved reliability in DNA fingerprinting now used in criminal (rials.)

Though basic science does well in a few specific areas, mainly research into specific diseases, there is grumbling from some that the emphasis on new technology programs could begin, in the increasingly tight "outyears," to squeeze the pure scientists oot. Nuclear physicists and NASA appear to have

- THE NEW YORK TIMES. proximity to the two giant projects whose fortunes have consumed so much of the last

few years' debate on the nation's science pri-

orities — the superconducting supercollider and the space station. The former is now slated for cancellation, though a House analysis of the budget request notes that the funds proposed even for the closure - \$120 million - are well below the estimated \$559 million that pulling out and settling with the state of Texas could actually cost. In NASA, by contrast, the decision to continue funding the space station, together with a tight cap holding down the overall amount, means the nonspace-station science inside NASA could face

a potentially lethal squeeze.

In a happier fiscal world, a commitment to and belief in science would translate into a science and technology hudget with breathing space, but that is not the world the government now lives in. The faith that spending more on technology and its applications can ease that pressure down the line - that, as the lucky director of the National Institute for Standards and Technology said last year, "technology changes the rules" is being made, if tacitly, to bear a fair amount of baggage. Science, with its longer-term economic payoffs, needs the patience of its supporters. The administration's small

increases at least signal that it thinks that patience is worthwhile. - THE WASHINGTON POST.

### Green, but Fair as Well

ton is only now beginning to see that racial justice is essential to good environmental policy. The environmental movement is run by whites preoccupied with conservation rather than racial issues. Today's basic laws on clean air and water are only a quarter-century old. And for 12 of those years, when Ronald Reagan and George Bush occupied the White House, neither the environment nor racial jus-tice ranked high on the official agenda.

President Bill Clinton is thus to be commended for offering a measure of atonement in the form of an executive order, due soon, asking all federal agencies to ensure that their programs do not inflict disproportionate envi-

ronmental harm on the poor or on minorities. The order would require these agencies to give minorities an equal voice in the planning and enforcement of regulations, ranging from the licensing of hazardous-waste incinerators to cleanups of toxic dumps. It would also ensure that minorities share equally in the

benefits of those programs. Mr. Clinton's order owes much to two studies. In 1987 a pioneering survey by Benjamin

It should come as no surprise that Washing- the Advancement of Colored People, collected largely anecdotal evidence showing that communities with large minority populations. even relatively affluent ones, were more likely than white communities to have hazardous waste facilities and other polluters dropped in their midst. Then in 1992, as part of an even more extensive survey. The National Law Journal, based in New York, demonstrated that minorities benefited unequally from fed-

> Cleanups of toxic waste dumps under the Superfund program took longer and were less thorough; polluters in minority neighborboods paid fewer and smaller fines.

eral poliution programs.

This study caught the attenuou of Carol Browner, administrator of the Environmental Protection Agency, who pressed her case for environmental justice with the White House. The order gives each agency a year to pub-

lish its strategy for fair treatment. Executive orders sometimes have an evanescent life, dissipating with the political winds. With that in mind, the White House has an obligation to see that today's good intentions become tomorrow's standard practice.

- THE NEW YORK TIMES.

### Chavis, bead of the National Association for

Other Comment

### The Stakes in an Ultimatum

Although NATO has put itself in a hairtrigger position to start dropping bombs on Bosnia, the Umted States can still avoid military intervention if a dramatic and needed switch in administration strategy produces results. For the first time since he took office. President Bill Clinton has come out strongly for partition and has made it clear the United States will no longer encourage the Bosnian Muslims to keep fighting for more territory.

It was this change that enabled NATO to set a 10-day deadline for the withdrawal of heavy Bosnian Serb military equioment from the mountains surrounding Sarajevo. The trade-off involved European support for the U.S. threat of zerial strikes in return for an American promise to encourage the Muslims

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to accept a UN-sponsored division of Bosnia. Mr. Clinton's main pitch is still on NATO's new-found resolve to resort to force if necessary to stop the slaughter of civilians in the besieged Bosnian capital. This, however, is a dangerous move. It makes the aliiance hostage not only to the bloody-mindedness of the Bosnian Serbs and Croats but to provocations by Muslims willing to take more punishment

to gain international sympathy. If the current crisis somehow can pass with out NATO intervention, the new U.S. readiness to engage in pressure diplomacy on the Muslims may be one of the very few hopeful developments in the Bosnia tragedy. If the war now summers down instead of exploding, it might be just the breakthrough needed to get all three sides to accept a peace agreement.



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> RICHARD McCLEAN, Publisher & Chief Executive 10HN VINOCUR, Escape Edus & Vise President

CHARLES MITCHELMORE Deputy Editors . CARL GEWIRTZ Associate Editor ROBERT I. DONAHUE. Edition of the Editional Pages ■ IONATHAN GAGE. Business and Finance Editor

• RENE BONDY, Deput: Publisher • JAMES McLEOD, Advertising Director ● JUANITA I CASPARI. International Development Director = ROBERT FARRÉ. Circulation Director. Europe

Director & & Publication: Richard D. Simmon:

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Editor for Asia: Michael Richardson, 5 Carcerbur; Rd. Songapore 0511, Tel. (65):472.7768; Faz. (65: 274.23)

Mng. Dir. Asia, Rolf D. Kranepuicl, 39 Giosepter Rd. Horn; Kons. Tel. 861.4016 Fear. 861.3073

Mng. Dir. U.K., Garry Thomas, 51 Long Aure, London WCL, Tel. (67): 218-4302. Fear. (65): 240-2244

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### Think About Where The Bombs Will Fall

By Richard Burt and Richard Perle

WASHINGTON — The appar-ent willingness of the United States and its closest allies to use air strikes in Bosnia is long overdue. But the strategic purpose of air strikes is at least as important an

issue as whether they take place at all.
It will be a travesty if the Western allies, having finally taken action in Bosnia, end the siege of Sarajevo in order to force Bosnian concessions in the deadlocked Geneva negotiations.

Air strikes, especially televised ones, would be dramatic. They would signal an end to the feckless Western policy of standing aside while newly independent Bosnia, a member of the United Nations, is dismembered and

its civilians massacred.

But while forcing the withdrawal of the Serbian guns is a beginning. Western intervention must not stop there. An end to the siege must not form the basis for renewed demands from UN negotiators that Bosnia accept a bumiliating - and unstable political settlement

A plan under which the Muslims, have for centuries lived peacefully in a mulnethnic society, are berded into "ethnically cleansed" enclaves surrounded by the Serbian and Croatian armies that drove them

there is unacceptable.

Now that the West appears ready to act, what is needed — and what has been missing all along — is a well-defined strategy for achieving a stable peace in the Balkans.

President Bill Clinton, who is loath to act without the approval of Secretary-General Butros Butros Ghali, has said that any use of force would be intended to further the UN's diplomatic strategy.

But that strategy, which would re-ward aggression by legitimizing the conquest of Bosnian territory by Serbian and Croatian troops, can only set the stage for endless, chronic vio-

lence in the region.

So what should U.S. policy be?

And what military actions can and

escape embarrassment.

by the Serbs.

S AN DIEGO — The NATO ultimatum to Serbian forces around Sarajevo could be, at long

last, a first step toward ending the bloodiest aggression in Europe in 50 years. Or it could be an empty gesture by politicians trying only to

On the encouraging side, the allies seem to be serious about using air strikes if the Serbian aggressors resume shelling civilians in Sarajevo or fail

to move their heavy weapons back 20 kilometers

(12 miles) in the next 10 days. Previous NATO

threats have been jokes, and quickly seen as such

It is a plus also that the Clinton administration

did not give way to angry Russian protests against the plan. With luck, this could mark the end of the

administration's misbegotten belief that it must yield to whatever Boris Yeltsin wants abroad in

But the NATO decision, if examined benestly has to be seen as modest, if not indeed feeble. It

lacks both military and political elements neces-

vo. They will be free to press new attacks on the

Bosnians in other parts of the country, notably

The ultimatum does not even assure an end to the murder of civilians in Sarajevo. It does not

purport to affect light mortars, machine guns or

the sniper rifles that have bad such deadly effect. It

exempts from the exclusion zone the town of Pale.

16 kilometers from Sarajevo, the Bosnian Serbian

1. The demand on the Serbs is limited to Saraie-

order to support his position at home.

sary to make it effective.

Bibac in the northwest.

should be taken to support it? The starting point must be to recognize that while the former Yugoslavia is rife with ethnic and religious animosiries, the cause of the war there is Serbian and Croatian aggression against Bosnia - an aggression made more poignant and dangerous by its attacks on innocent civilians.

This reality suggests the core of a new Western policy: First, and the siege of Sarajevo, then shape a balance of power in Bosnia more favorable to a fair and lasting settlement. We should move immediately to

revise the UN embargo that has kept the Bosnian Muslims outgunned and under siege. With Bosnia ex-cluded from the embargo, the United States and others should supply essential arms to the Bosnian gov ernment. Then Bosnian troops would have a decent chance of

achieving defensible borders.
Second, we should plan to use
NATO air power not only against
tactical targets in Bosnia, like the artillery positions surrounding Saraevo, but also against strategic targets in Serbia itself.

Precise attacks by advanced weap-ons could cripple air bases and military logistics centers, or Belgrade's power supply, while posing little threat to civilians. Three arguments against this more ambitious course stand oot.

One is that there is no vital U.S. interest that would justify the risk of intervention. But this view ignores the damage that has been done to the credibility of the United States and

the NATO allies after two years of

indecision and idle threats.

The spectacle of free-world leaders' maneuvering to avoid embarrassment by keeping Bosnia off the agen-da of last month's NATO summit meeting can only encourage aggres-sors in the former Soviet bloc. If NATO proves incapable of acting with resolve, it will soon become irrelevant in the post-Cold War world.



A second argument is that air strikes and intensified fighting would jeopardize the safety of UN peaco-keeping forces on the ground.

But if the presence of UN troops

becomes a reason for allowing the slaughter of the Bosnian Muslims to continue, it would be better to pull them out: Bosnia needs to be able to defend itself, not simply be pro-vided with food and water while it is being destroyed.

A third argument against military intervention is that the United States will find itself drawn into an unpredictable adventure leading mevitably to American casualties.

But there is no reason why air strikes against precise targets should

be followed by the introduction of American ground forces.

Ultimately the fate of Bosnia lies in the hands of the Bosnians. While we Americans should help them with arms and air power, we need not, and should not, intervene on the ground.

This Ultimatum Is Modest, More Needs to Be Done

By Anthony Lewis

artillery with a range of more than 20 kilometers.

Sanajevo. Going to or from the ciry will still require passing through Serbian roadblocks.

4. If the Serbs ignore the ultimatum, NATO threatened only to attack their beavy weapons. There are much more important targets for any

meaningful air threat: the bridges connecting Ser-

bia to Bosnia, petroleum tanks, military beadquar-ters like that at Pale.

States, did not decide to ignore as without legal basis

the UN arms embargo on Bosnia. That is an issue of

principle; not to deny a UN member state the means of self-defense when it has been attacked.

give up their few heavy weapons, the NATO ulti-matum equated victims and aggressors. It even

commended the outrageous idea that Sarajevo be

put under UN administration. Have the Bosnians

stood up against genocidal assaults for the last two

years in order to be ruled by Butros Butros Ghali

overall, what is lacking in the NATO decision is a sense of objectives and strategy. The objectives must be limited; but they surely have to include identification and punishment of the aggressor, in

order to deter other demagogic nationalists who

are waiting to tear Europe apart.

The Bosnian war is the first test of whether

peace and security can be maintained in Europe in

6. By asking that the Bosnians in Samjevo also

5. NATO members, in particular the United

3. NATO has not asked for an end to the siege of

The use of military power always

entails uncertainties. It is idle and dangerous to believe that military opnons make sense only where their results can be known, and the risks eliminated, in advance.

But Mr. Clinton can count on broad support for a decisive, robust policy, for despite the risks, left and right alike have been urging him to take forceful action.

Treading carefully, Defense Secre-tary William Perry insists that we think about "Acis II and III" before we embark on "Act L"

But Acts I and IL more than two years of killing, have already been played. And unless we change course now, Act III will prove the Bosnian drama is not history but tragedy.

Mr. Burt, a parmer at McKinsey & Ar., nur, a partner at McKutsey of Co., was an assistant secretary of state from 1983 to 1985. Mr. Perie, an American Enterprise Institute fellow, was an assistant secretary of defense from 1981 to 1987. They contributed this comment to The New York Times.

### Do Not Let This War **Grow Wider**

By A. M. Rosenthal

W YORK — The responsibility is President Bill Clinton's. It is his job now to prevent the NATO ultimatum to the Serbs from becomultimatum to the Serbs from becoming the excuse for inflicting more suffering and spreading the war beyond Bosnia. If he does not live up to the job, the combined power of the West, its standards of political and religious conduct and all its pronouncements about humanitarianism will have added up to nothing but a recipe for

more tragedy.
How did it come to this point, this ugly chapter in what is amusingly called Western civilization?

Two tragedies are taking place: the sorrow of Bosnia and the continuing failure of the West to examine its own role, maybe learn something from it. In 1991, the United States and its European allies were warned at least four times that their plans for swift recognition of Croatia would blow up neighboring Bosnia — both parts of the disinte rating Yugoslavia.

Bosnia's population was Serbian and Croatian, about half Christian.

half Muslim, converted to Islam centunies ago. Serbian and Croatian Christians did not want to live under the other group or the Muslims.

The Muslims wanted a united state

in which power was shared. But most Serbian and Croatian Christians in Bosnia feared the state would be con-

trolled by Muslims. Cyrus Vance of the United States Cyrus Vance of the United States gave the warning; so did Lord Carrington of Britain, and Secretary-General Javier Pérez de Cuéllar — and, most important, Alija Izetbegovic, the Muslim president of Bosma. They warned that if Croatia were swiftly recognized, Bosma's Muslims would bolt to independence and Croats and Serbs would fight. Both happened.

Up to then —just one more Balkan mess, no particular heroes or villains. The Serbs — and the Croats too —

The Serbs - and the Croats too changed all that, by atrocities against Muslim civilians, including ethnic

Partition was a way out, but the Muslims and their supporters did not want it. They felt partition would leave the Muslims a mini-nation hostage to Serbia and Croatia.
But even as the war grew more

Indeous and Sarajevo was under siege, one decent chance to preserve a unified Bosma was presented. It was worked out by Mr. Vance and Lord Owen of Britain: separate Muslim, Serbian and Croatian areas in Bosnia, brought together under a unified government, sort of a Balkan Switzerland.

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They were reviled as appeasers by the U.S. press. But many Muslims saw the plan as the only chance to keep the dream of unified Bosnia. It should have been called the Save Bosma plan, but neither Mr. Vance nor Lord Owen was much good at sound bites.

The Clinton administration said— it said this, it said that, it said them can public ever understood for one day what the Clinton position on Bosnia was, believe me, it was an accident, because the administration did not know itself.

Vance-Owen Save Bosnia died, bounded into oblivion by the instant hawks, double-crossed by the Bosnian Serbs, mumbled and gummed to death by Washington.

So the West is left only with parti-tion, the solution that Muslims never wanted and that could have been had without as long and nasty a war. -

What happens now?
If the Bosnian Serbs are stupid enough or desperate enough to resume fighting, they will come under NATO air attack. They can be pushed to desperation if the Bosnian Muslims use the ultimatum as protection for a military offensive against them.

Already the laptop bombardiers insist the ultimatum must be en-forced by bombing deep into Bosnia and Serbia itself. But it will be Mr. Clinton who will have to take the

responsibility if bombing Serbia drags in Greece, Turkey, Albania. And Russian sympathy for Serbia goes far beyond the hard nationalists. goes far beyond the nard nanonansus.
Moscow aiready has asked for a UN
meeting, over U.S. objections. Boris
Yeltsin might have to swallow the
ultimatum; bombing of Serbia could
swallow Mr. Yeltsin.
All that does not have to happen.
Mr. Clinton will have to his credit the

lifting of the Scrbian siege against the Muslims. He can use it to pressure all sides into accepting a compromise partition — yes, pressure, not go on repeating idiotically that Americans have no say in decisions that now affect their lives.

Lifting a marderous siege was al-ways a decent goal — but not expanding the war.

The New York Times.

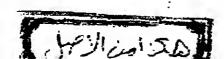
### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Freethinkers Wed

PARIS - Civil marriages, with the accompaniment of music and flowers, but minus the prayers and candles, have been revived. The latest ceremony of the sort took place in the Mairie of the Eleventh Arrondissement, on the place Voltaire. Several Freethinking Municipal Councillors delivered bymneal homilies on the occasion. The room wherein the wedding took place was ornamented with flowers, evergreens and orange trees. Violins, flutes and pianos were blended in harmony, and after appropriate music the ceremony was concluded by the playing of the "Marsellaise."

### 1919: Peace Monitors

PARIS - Members of the International Suffrage Conference decided yesterday [Feb. 11] to send a delega-tion consisting of one from every country represented to each plenipotentiary at the Peace Conference, asking support for the resolution which President Wilson stated, on Feb. 10. he would present to the Conference before he returned to America. This commission provides for a resolution to be formed to discuss and report on the international questions relating to woman's suffrage and to children's problems, the commission to be associated officially with appointed women representatives.



test of NATO's relevance to that task, The ultimatum to the Serbian forces does at least signify that NATO sees the challenge that the Bosnian conflict represents. But it is not, at . least not yet, a serious response to the dangerousprecedent of successful aggression against a recognized state.

the new tensions of the post-Cold War era. It is a

Can we bope for a real commitment by the United States and its allies? Will they act forcefully if Serbian leaders resume their aggression?
It was not long before the brief quiet of Sarajevo

was shattered again. The night after the ultimatum shells exploded near the parliament building. A Serbian breach in the cease-fire would hardly be surprising considering all the past lies and broken promises. After all, Radovan Karadzic, the Bosuian Serb leader, promised on Oct. 9: "The siege of Sarajevo is over.

The bope is frail, the reasons for cynicism substantial.

In amouncing the NATO action, President Bill Clinton said the United States "will not stand idly by in the face of a conflict that affects our interests, offends our consciences and disrupts the peace." But he had stood idly by for a year, and George Bush before him, while 200,000 people were killed and 2 million driven from their homes. Only public revulsion at the killing of 68 people in Sarajevo's market last Saturday moved Mr. Clinton to act. If the North Atlantic alliance has the will to

resist genocidal aggression, and the strategy, we The New York Times.

### military headquarters. In any event, the Serbs have 'Determined' NATO May Be Digging Its Own Grave

BRUSSELS — If the Samievo case-fire does not hold and the shelling of the day continues. NA-TO's hand will have been called. Air strikes will undeubtedly follow and will be carried out with consummate skill Bu: NATO's military authoriues again remied Thursday what they have been making alreat to their political masters for some time: The effect of air strikes on dispersed micor targets - towed field artillery pieces, jeep-mounted troket lamob-ers and beary mortars, and lighter hand-teld acapons - is necessarily limited. A determined and reasonably skilled opponent could escape most of their effects and continue to

WASHINGTON — A more someter bue is settling upon

It is now widely accepted in the

Clinica admirestration that high

hopes for reform and democracy

need to be tempered by the post-

Communist regimes. Tempered but

not abandored: The official view

calls for incremental midocurse ad-

justments to take occount of the

developments prompting President

Boris Yellan's Eppage and Vladi-

Another view now heme heard in

the State Department was given

successed statement in the department's "Open Forum" on Feb. 1 by

the respected maintheare academic

Charles Gats, a Hungarian-born

Mr. Gati straves that unambeipated difficulties of transition — eco-

nomic dislocation, nostalgie for

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countries with the open enemies of

democracy and its relegiating ex-

Constructed ecornes aiding on both

the United States recepeanly expect

to accomplish is landern its iwin

gurposes of ensuring a responsible

Russian foreign policy and nursing

No ionger, Mr. Gati suggests, can

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Central Europe - pectalist

left and meht

U.S. policy tracard Russia and the

res: of the famuer Soviet Noc.

By Frederick Bonnart NATO will then be presented with the choice of abandonment or escalation. Having intensified air attacks and inevitably caused casualties among the civilians it is trying to protect—without convincing results.

the next step will have to be taken. If Western popular feeling remains high, allied leaders will have to commit ground troops. But, once these have been engaged, the war will take on its own dynamic. However limited the initial commitment, their numbers will inevitably swell and casualties will mount, producing a very dif-ferent test of Western will.

As the cost in lives and resources

By Stephen S. Rosenfeld

democracy. Washington must re-

turn to a view of Russia centering

on its nuclear and strategic capabil-

ities and to a focus on influencing Russian foreign policy with tradi-

tional instruments of carrot and

stick. Without giving up on democ-

racy in Russia, the democracies it

should try hardest to enlarge are

those in Central Europe, which

nance. America ought to be offer-

ing special provileges — in political

respect, economic support, military

security - to countries that truly

are "emerging democracies." Em-

brace them. Lock them in. Let otb-

ers observe how America rewards

dent frustrations of democracy and reform elsewhere in the old Soviet

bloc. In Russia and in some of the

darker East European places such as

Romania and the former Yugosla-

via, a condition of hurren uncertain-

ty may hold for decades. This condi-

tion will likely keep us wondering

whether even the most able demo-

cratic leadership can manage the

suesses of an uniorgiving cultural

and political inheritance.

The harder part goes to the ext-

The last point has clear reso-

show more real promise.

democratic achievement.

posed to the anger of all sides, leading

to casualties, retaliarion, chaos, So malia has provided a recent example, and there have been others. The NATO allies would then have

makes itself felt in the West, an ini-

tially ignored question will rise to a roar. "Whom are we fighting there

and why?" people will ask; bitter de-nunciations will follow of the leaders

who made the decision. People will

realize that a political war aim of

"peacekeeping" or "peacemaking" leads to a highly confused military situation, where allied troops are ex-

to pull out. If they do so early, their human and material costs may not

still have to bein pick up the pieces, A Darker View of Russia Emerges

> arbitrary element to it. There is no pressing need to come down hard either way. Already Washington has said no to Russians asking the United States to bend the rules of the international banks. The Clinton administration is putting a higher premium on keeping Russians from throwing their weight around in the mear abroad."

dence does not permit, or compel, a definitive judgment now on how

reform is going to fare in Russia. Any judgment will have a large

worrisome conduct. Well-informed officials feel that Russia is in trouble, even irretrievably sc. But other well-informed people caution against basing long-term policy on short-term perceptions.

America is stiffing Mr. Zhirinovsky.

These are pragmatic responses to

There is a demand of sense on American policy and a demand of principle, Sense requires open eyes. Principle demands constancy. There is a requirement to be faithful to democracy depending on the degree to which it is treasured at home. This is the way to be respectful without being patronizing. Democracy in Russia is not America's to implant or abandon but first of all Russia's

The Washington Post.

to make grow.

have been too high. But the political and psychological costs may be irrepa-rable. Whatever excuses are made, the allies' weakness will be evident to all. The various justifications — the stubbornness of factional leaders in expYugoslavia, the need to support democratic elements in Russia - will all be nails in the coffin But it is not only NATO that will

be buried in the grave dug by initial callowness, poor judgment, and fail-tre of will. With it will go the sense of cohesion of the Western world that has been the basis for the advance of civilized values since World War II. Of course, none of this may happen. The more optimistic believe that a peace agreement will now be signed and implemented. The West would

but the cost, though very high, would be incomparably less. Let us hope they are right. The writer is editor of NATO's Sixteen Nations, an independent military journal published in Brussels. He contributed this comment to the Interna-

tional Herald Tribune.

### 1944: In the Ukraine LONDON - [From our New York

edition:] Soviet forces in the Ukraine have captured the rail junction and German bastion of Shepe-tovka, on lines leading into Ruma-nia, Hungary and Old Poland, while far to the east other Russian troops compressed a besieged Nazi force into a sixteen-mile-long strip of ter-ritory near the middle Dnieper Rivcr. The capture of Shepetovka, fifty miles southeast of Royno and near the pre-war Polish frontier, was annonnced in a special order of the day by Premier Marshal Stalio

عكذامن الأحل



### World of a Florentine Prince

ONDON -It is not easy to walk down the muchtrodden path of 15th-century Florence and reworks of art that few, even among dedicated art lovers, would remember seeing before.

"Renaissance Florence: The Age of Lorenzo de' Medici (1449-1492)."

### SOUREN MELIKIAN

at the Accademia Italiana in London until Feb. 27, surprises the visi-tor from beginning to end. Drawn mostly from museums and churches that are not often visited, the manuscripts, the paintings, the bronzes, the ceramics and other objets d'art give brief but dazzling insights into Florence as it appeared to a rich prince and his entourage.

It was an extraordinary time. The Middle Ages had not yet come to an end and Modern Times were already under way. Christianity provided the foundation and Antiquity the source of subversion in concepts as in art. The clash of ideas broke out with a fury that came close to destroying society. A panel painted by an unidentified artist of the 15th century, borrowed from the Museo di San Marco in Florence, shows how it ended in 1498.

In the middle of the Piazza Della Signoria, with the Palazzo Vecchio in the background, gallows rise high. Three white-robed figures are dangling above the flames of burning logs arranged in a circle on a raised platform. More white-robed tonsured figures, flanked by blackhooded characters, are being led to the platform over a long ramp from the palazzo. The denunciation of corruption in private morals and politics, in Florence and in Rome. by the Dominican friar Girolamo Savonarola would no longer bother Lorenzo — who had called in Savonarola in the first place, summoning him from Ferrara.

In art, on the other hand, the medieval heritage and Renaissance often managed to blend. A manuscript containing, among other texts, a "Life of Lorenzo de Medici," is open to a page with a deco-rated initial. The idea is medieval but not the small bold portrait of a. man drawn across the blue bar of the letter. Seen three-quarters, it is a rare gem of early 16th-century draftsmanship. Pressed against the left-side bar of the same initial, the man is portrayed a second time, sideways, looking at his own likeness in a totally surreal effect.

Elsewhere, the future and the past are illustrated side by side. In a wonderful manuscript of Petrarch's Triumphs and Rhymes' from the Biblioteca Nazionale Centrale di Firenze, the opening folio is framed by a border of seething, scrolling designs, echoing memory of patterns going back to the Dark Ages. But at the top of the page, "Triumph of Love" is rendered in a miniature tableau that could be enlarged to monumental proportions in the best Quattrocento fashion. With a differcarce: The lightness of touch and color that only paper allows gives



"Adoration" by Pseudo Pier Francesco Fiorentino.

kind of poetic alacrity. This is not the kind of 15th-century Florentine painting one is accustomed to in museum displays.

That lightness sometimes survived in a few rare works. Not many 15th-century panels can match the charm of the "Adoration of the Infant Jesus" by an artist dubbed by 20th-century historians Pseudo Pier Francesco Fiorentino. The linear handling of the folds in the Virgin's blue drape is almost Middle Eastem. The shading in the face and in the hands raised half in prayer, half in estatic wonder suggest a master originally trained as a miniature painter. Rose bushes filling the background stand out against the pale blue surface—the sky, pres ably. Lent by the Museo Bardini, this is one of the lesser-known masterpieces of Florentine art.

But the most stunning paintings, a pair of elongated vertical panels done in 1473 by Jacopo del Sellaio, standing figures of Gabriel and the Virgin seem to be swaying almost floating in the wind that blows through their blue and brown drapes. They come from the Church of Santa Lucia dei Magnoli in Florence, where the best one can hope for is seeing them in uncertain lighting from a distance.

Yet, the feeling of novelty here pales into insignificance compared

the work of Giovanni Varnucci a with the impact of the objects. It is not that there are vast numbers of them, quite the opposite. They are sparsely displayed, so that the eye takes them all in.

> The exhibition starts in a tiny scale with medals. These, as the catalogue just published by the London dealer Cyril Humphris reminds the dealer Cyril Humphris reminds the set on an agate spreading foot with reader, 'virtually' originated with silver-gilt fittings, An Italian dome-shaped cover, apparently cut at a different period, was added, as was inspired by the Caesars struck well as a silver bandle. But the vase, the many additional projects are the sure of the many additional projects. on the much admired ancient Roman coins. Some are masterly por-traits in low relief. The Bargello Museum medal with the profile of the scholar-poet Angelo Ambrogini, called Poliziano, is one cast in bronze by Niccolò Fiorentino.

> EARBY a more modest effigy cast in lead shows Savonarola. The salient cheek bones, the deep furrow coming down from the cagonal frame. It would take a nose are those of an ascetie driven brave man to give it a firm geo-by fury. The medal says more than graphical provenance. But the

A few steps away, an even more there for everyone to sec. stonishing likeness is painted on the curving body of an earthenware jug executed in 1515. This is of Lorenzo's son. Giovanni, for whom he wrenched the promise of a cardinal-Lorenzo waited four years before disclosing the news, presumably fearing it might not go down well.

The 1515 portrait shows Giovanni two years after he became Pope Leo X. The lips are open as if to throw out an invective, the douhle chin ripples even though the head, seen sideways, is thrown back. The arched evebrows, uncannily feminine, form a sinister contrast with the brutal beaked nose. Seldom was a man of power so uncompromisingly portrayed. This is surely one of the unsuspected wonders in the Museo Internazionale delle Ceramiche at Faenza. Perversely, it is also the piece that the cataloguers chose not to or, more likely, were unable to reproduce.

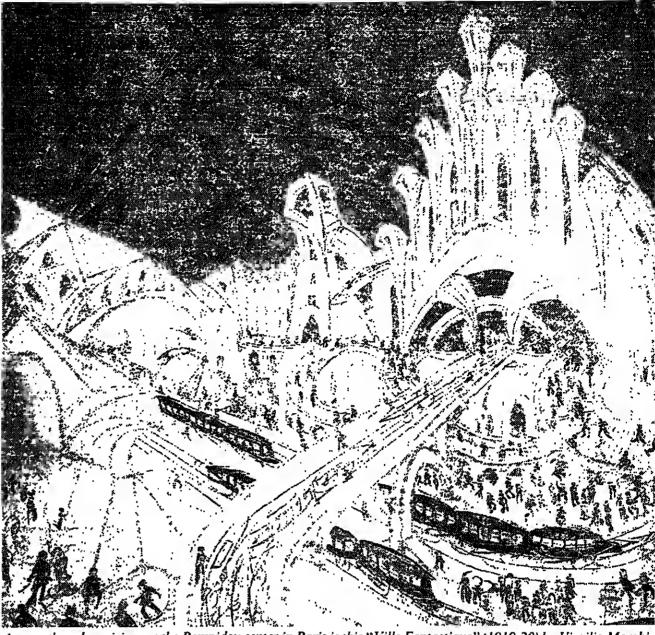
Most fascinating by far is the group of objects that Lorenzo comssioned to contemporary artists or bought from antique dealers. One of the splendors of Renaissance bronze-making is "Hercules on Horseback," on loan from the Galleria Estense in Modena. The group was cast by Bertoldo di Giovanni. The catalogue says nothing about the bronze, except for the artist's name, and specifies that it is undated. But, a glance at a medal cast by Bertoldo with the profile of Lorenzo on one side is enough to convince one that the bronze group is the equestrian portrait of Lorenzo as Hercules. It was probably cast at about the same time, around 1478.

Lorenzo, or whoever advised him, must have bad a great eye for bronzes. Few are quite as admirable as the monumental bronze head of a horse, 67 centimeters (26 inches) high. The label in the show asks second century B. C.?" and firmly gives the bronze to ancient Rome. With its very human expression, the horse curiously suggests some 15th-century creation in the Roman taste, Did someone take Lorenzo for a ride? If so, be still got his money's worth.

In a row of niches, some of the precious objects he collected raise. further questions. One is a rockcrystal vase mounted in Renaissance manner, which comes from the treasure of San Lorenzo, It was possibly dating from the 11th or 12th century, retains a Middle Eastern (Egyptian? Iranian?) look. Not even some recutting at the top. where the name of Lorenzo was incised, can disguise it.

More enigmatic are two shallow diasper bowls from the Museo di Mineralogia. One, rising from a low narrow foot, has a circular well inside, while the chamfered outside walls enclose the rim within a dodeuty of the wonderful

Add the intelligent catalogue, beautifully laid out even if some of the photography is out of focus (the chamfered diasper bowl), and this comes close to being the perate from Pope Innocent VIII in fect show, uncluttered, well-1489. Giovanni was only 13, and spaced, where you can spend long Lorenzo waited four years before moments in blissful tranquillity. gazing at some of the art gems of a Medici prince.



Among the urban visions at the Pompidou center in Paris is this "Ville Fantastique" (1919-20) by Virgilio Morchi.

### Cities: Architecture — and Art

By Michael Gibson International Herold Tribuna

ARIS - The tremendous, sprawling cities in which most of the population of the industrial world now lives are something fairly new. They arose with the development of the railway (which delivered vast quantities of goods and people to the major centers) and reached their first peak around 1880. We know what happened after that continuous, dizzying growth — and so the big show at the Pompidou center, "La Ville, Art et Architecture en Europe 1870-1993" (to May 9).

deals with a subject that concerns us daily.

It does so well. The subject is an unusually complex one, and the show falls into two distinct parts. The first invests a large space, running the length of the building. Town planner's maps, designs and sketches, multitudinous as Wordsworth's daffodils, fill the walls.

Those taking a technical interest in the subject will manage, though with some difficulty, to figure out what's what. The layman is strongly encouraged (by this critic, and apparently by the designers of the show), to move swiftly to the

This assembles a large body of art works reflecting the way artists perceive the megapolis: The Dickensian backwaters of London are immortalized in the prints of Gustave Dore, the macabre streets of Germany in the '20s in the fierce, apoplectic paintings of Georg Grosz. The Futurists' over-sanguine eulogy of a mechanized world is enshrined both in the visionary projects of Antonio Sant'Elia and the hideous "futuristic" cities imagined by Virgilio Marchi, while the elegant, still cheerful, boulevards of Paris are

captured by Impressionists and others.

PARIS

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Hommage à

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of changing times. Coming from the same root as the English bulwark, it originally meant a city's ring of fortifications. The changes english and should are organized and should remain a city's ring of fortifications. ring of fortifications. The changes arising at the end of the 19th century led to the destruction of these old walls, thus opening the city to unlimit-ed growth. Meanwhile, the broad avenues that replaced the walls appropriated their name — associating it with teerning crowds, riots and traffie jams.

The current selection reveals that artists' perceptions of their cities over the past hundred and some years range from the utopian (illustrated by painters like Delaunay and architects like Le orbusier), to the apocalyptic. The latter seems The megapolis of our century has been the

nter of economic crisis, revolution, social strife and two world wars that led to the total destruction of many old cities. All of this is recorded in paintings, drawings and photographs, stress being more often laid on the grim side of things.

To remind one that violence done to cities is not a thing of the past, the French painter Bernard Rancillac, on the eve of the inauguration, inscribed Sarajevo in large red letters on the inside end wall of the museum - then signed his

Violence, poverty and filth, but also the gentler dreams of a better life, commanded the way artists portrayed their cities in emotional terms. Unpretentious narrative paintings do this very well. The brutalism of industrial architecture is latent in Christopher Nevinson's "The Towpath, Camden Town" (1912), in which Arcadian lovers embrace on the edge of a canal, beneath the looming shadow of the factories.

**ART EXHIBITIONS** 

planning developed only gradually and is still an imperfect science —in which commanding political and financial interests are constantly confusing the issue. One of the early theoreticians of town planning, the Scotsman Patrick Geddes. developed an organic rather than geometric the-ory of the city in the early years of the current century, the Frenchman Leon Jaussely elaborated a scientific approach to the discipline in 1902 by using statistical studies, and the first world congress of town planners was held in 1910.

Returning, however reluctantly, to the maps and aerial views of future towns and new districts, one is inevitably struck by the diversity of approaches. From the very outset, political systems appear to be written in stone in these nascent cities - rational and utilitarian in H. T. Wijdeveld's 1922 proposal for Amsterdam, rational and authoritarian in Niemeyer's Brasilia (curiously absent from the show), or organic and democratic — in the various garden-city projects, but also in other less spectacular undertakings that don't make such a big impression on the drawing board, like Maurice Culor's low-key rehabilitation of popular quarters in Brussels.

The catalogue contains informative essays and the exhibition's main quality is more meditative than didactic - a happy change!

A program of films about the city is on view in a small cinema on the fifth floor, and a smaller show, devoted to Walter Benjamin, the philosopher of urban life, will be opening on the mezza-nine on Feb. 23. with exhibits related to his vision of Berlin in childhood, and of Paris in his

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### In Grenoble, a Rich, New Museum

By Elisabeth Hopkins and Barry James nternanonal Herald Tribane

RENOBLE, France — Having publicly aired some political differences with the local mayor. Culture Minister Jacques Toubon diplomatically stayed away from the inauguration of the new Grenoble art museum. Toubon accused the mayor, Alain Carignon, who is also the minister of communications, of not acting in a collegial fashion in the cabinet.

So much the worse for Toubon, because this is one of France's most interesting regional muse-ums, and its rehousing in a starkly modern and spacious new building does credit to a rich and varied collection.

Founded in 1796, three years after the Louvre Museum, the Grenoble collection started in a small way with acquisitions from religious institutions in this alpine region of eastern France. The museum expanded rapidly in the 19th century, and a Napoléon III-style building was inaugurated in 1876 to house the works, many of which were donated.

An army general presented four Zurbaráns. Dr. Albert C. Barnes of Philadelphia gave a de Chirico portrait of the art collector and dealer Paul Guillanme. Monet donated one of his own paintings as an incentive to develop a collection of contemporary art. The art critic Leo Stein, brother of Gertrude Stein, gave a still life by Matisse with succulent-looking black eggplants.

The donations helped put Grenoble on the modern art map. They also explain why there is only one work each by so many artists. This can be frustrating for gallery-goers accustomed to large retrospectives in major museums, particu-larly those of artists whose work evolved over time. Does one portrait, all in shades of blue, truly represent Gauguin, for example?

Nonetheless, the museum presents in a relatively small space a good example of the evolution of modern art styles in general.

The collection is pleasantly adventurous, extending to avant-garde works like Tony Cragg's slanting shelves of bottles and Bertrand Lavier's roll of wrapping paper on top of a filing cabinet. Some may grumble, but such fun works fit in well with an eclectic collection that ranges over all ages, starting with the Etruscans and ancient Greeks and Egyptians. The collection includes a beautiful small "Noli Me Tangere" by Veronese, views of Venice by Canaletto and Guardi, some excellent examples of the Flemish still-life school, a dreamlike view of Tivoli by Claude Lorrain. and a fine view of Montmartre by Sisley.

Reflecting the local landscape, there is also a roomful of romantic alpine-scapes, much imi-

tated by the painting-by-numbers school.

The new building, designed by the local architects Antoine and Olivier Felix-Faure and Philippe Macary, runs along the quay of the Istre River. Conceived by Carignon and former Culture Minister Jack Lang, the museum has been under construction since 1988.

Outside, the museum looks clean, somewhat block-like and forbidding. Inside it is clean, airy and spacious. Unlike the old 19th-century collections, where the paintings were jumbled together on the walls, the works here have plenty of room to breathe.

A discrete purr indicates the opening and closing of automatic sunshades. Natural light reaches the works indirectly, giving a neutral and glare-free illumination. But the sculptures are placed in front of large picture windows that give panoramic views of the river and the



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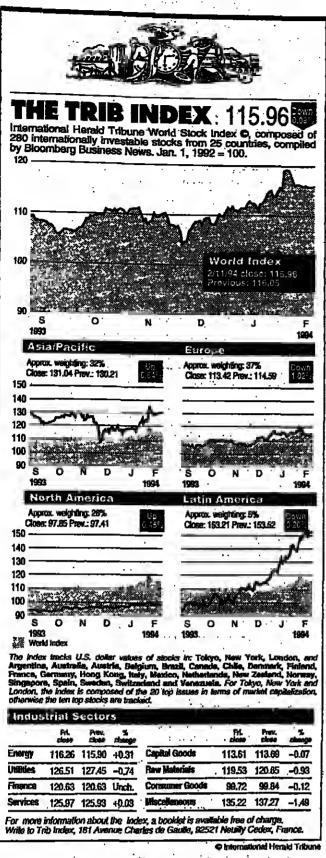
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### India Trades Tomorrow for Today

The change is affecting shoppers — and

"For years, the Indian consumer was told,

'Save, don't spend. If you suffer in this life, it

will be better in the next," said Alyque Padamsee, who heads the South Asia opera-

tions for the Lintas advertising agency. "But now people are saying. I'm not handcuffed

to my karma. I want to enjoy things now, not

Mr. Padamsee added: "People want quali-

ty and they are ready to pay for it. They are demanding better standards in everything. It

affects the entire society. They also know

they can be the agents for change."

With broad economic reforms first intro-

By Kevin Murphy nal Herald Tribun

BOMBAY - More concerned with consumption than its karma, India's rising middle class is undergoing a consciousness change rivaled only by the economic trans-formation sweeping the country.

A new embrace of credit and a strengthen-

ing demand for quality has forced domestic and international companies alike to reassess a market where, by some estimates, the middle class outnumbers the population of the

Foreign investment, much of it aimed at

supplying consumer products to a market long closed off by high tariffs and regulation, bit \$2 billion to 1993, up from \$1.3 billion in 1992 and \$200 million the year before. With clear signs that India is serious about continuing reforms, 1994's totals will be higher still. Heavily influenced by international prodnots and life-styles beamed in by satellite television, many of India's 870 million people, half

of whom are under 25, now aspire to more than thrift and self-reliance, virtues espoused

by Gandhi, the country's founding father.

duced io June 1991 have come a greater openness to the rest of the world, and less reliance on, and tolerance for, interference from the state.

m my next life."

Lalit Modi, whose large family-beld com-pany is a partner with Walt Disney Co. io India, said: "Satellite television has brought a cultural shock to this country. We are going through a total revolution."

He added: "The younger generations have

which is Germany's higgest union, demands. Over the past two weeks, with 3.6 million members in the about 1 million workers have partic-

automotive, metalworking and ipated in such "warning strikes."

While the negotiations were going Gottschol, the head of the employ-on, about 133,000 workers staged ers association, said the talks were

work stoppages at companies across stuck hut would not say what specif-

become 'me' generations. Around the country, people have become more outspoken about what they want."

Traditionally, Indians have been among Asia's staunchest savers. Gold is often their investment of choice; an estimated 7,000 metric tons is in private hands.

But, in a changing economic climate, Indians are favoring more sophisticated invest-ments. Over 50 percent of car buyers now automatically take out a loan, something that would have been unthinkable a few years ago. According to Visa International, the consumer finance industry has grown into a \$1 billion a year business from nothing in three

Citibank studies have predicted that India would become the world's second-largest credit card issuer after the United States. A few years ago, according to Mr. Modi, "No one wanted to borrow or to owe."

Business executives and government officials said that Indians, comparing their lot to

See INDIA, Page 13

### U.K. Growth Feeds Lloyds Bank Profit

duced its domestic problem loans and some developing nations paid

The commercial banking company said profit before taxes rose to £1.03 billion (\$1.51 billion) from £801 million in 1992. The figure was about in line with market forecasts. "By the end of the year, it was clear that the U.K. was moving out of recession," Lloyds Chairman

By Ferdinand Protzman

New York Times Service
BONN — The possibility of a

ations between labor and manage-ment brought no progress on the

key issues of wages, working hours

LONDON — Lloyds Bank PLC ers, economic pressures were be-said Friday its pretax profit coming less severe, and there was a from £556 million, or 1.2 percent of debts in the U.K."

Lloyds' earnings per share rose

to 47.4 pence last year from 35 is a bit higher than we'd expected," pence in 1992. The company said it would raise its 1993 net dividend by 20 percent, to 22.1 pence a share

nationwide strike io Germany's electrical sectors — were still talk-metalworking industry appeared to increase Friday as contract negotiations between labor and manage-with leaders of Gesamtmetall, the industry employers' association.

"No progress whatsoever has been made," Klaus Zwickel, president of IG Metall, said during a break in the talks. Hans-Joachim

Negotiators from IG Metall - Germany in support of the union's ic points were causing the impasse.

climbed 29 percent last year, as a reduction in the amount we needed lending. Lloyds said provisions for revival in the British economy reto provide for bad and doubtful so-called problem-country debt were reduced by £46 million during He said the company expected the year, primarily because of rethe improvement to continue this payments by Argentina.

> "These results are in line with expectations, though the dividend John Tyce, a hanking analyst at SGST Securities, said.

Mr, Ibbs said Lloyds would need to set aside less money against New provisions against bad or doubtful loans as long as the econ-

Risk of Strike Rises in Germany as Metalworkers Talks Stall

Robin Ibbs said. "For our custom- doubtful debts declined to £503 omy improved, and he said the company expected demand for

Total provisions held at the end of 1993 to meet future loan losses were £2.93 hillion, representing 6.8 percent of lending down from £2.98 billion in mid-1993,

Nonperforming loans fell to £4.29 billion from £5.08 billion. Mr. lhbs said the results had been boosted by "real growth from a high base" in core businesses. But he said the recovery in retail banking in Britain had been only "mod-See LLOYDS, Page 11

But the doomsday atmosphere

surrounding the meeting may have

been primarily a bargaining tactic.

as there was nothing to prevent

both sides from agreeing to extend the negotiations. The leaders of IG

Metall have threatened to strike hy

Feh. 21 if oo progress is made to

### U.S. Price Data **Confuse Views About Inflation**

Compiled by Our Staff From Dispatches prices rose a modest 0.2 percent in January gain followed two straight January as a drop to food costs was months of big price declines. able to offset the biggest jump in gasoline prices in more than three

years, the government said Friday. The Labor Department said the rise in its Producer Price Index, which measures inflation pressures before they reach the consumer, was the biggest gain since a similar 0.2 percent rise in September.

Economists were divided over whether the January data were a sign of new inflationary pressure. The January gain, if it continued for an entire year, would produce said that he was troubled by the an inflation rate of 2.9 percent.

In another report, the Commerce Department said retail sales fell an unexpectedly sharp 0.5 percent in He added that the decline in unexpectedly sharp 0.5 percent in January. It was the first decline in 10 months. Analysis attributed the result to the severe winter weather in many parts of the country as well as the California earthquake.

Excluding the volatile energy and food categories, wholesale prices rose 0.4 percent in January, a gain that was in line with expecta-

Prices in this area were driven higher by a 1.3 percent increase in costs for passenger cars, the biggest gain since November, and a 1.5 percent advance in tobacco prices, the biggest since September.

For January, the Labor Department said that gasoline prices at the wholesale level jumped 6.5 percent, while helped drive up wholesale costs to January, had ala gaio that is likely to show up in

symptoms of a much deeper prob-

lem: the high production costs that have eroded the competitiveness of

German industry and caused the loss of hundreds of thousands of

Employers complain that pro-

duction costs in Germany, particu-

larly for labor, have risen so high

jobs over the past three years.

Wages, hours and job security are that they can no longer compete the issues on the table, but they are effectively in the global market.

the consumer price report for Janu-WASHINGTON - Wholesale ary, to be released next week. The

Overall, energy costs were up 0.8 percent in January, after declines percent in November. Those deelines mirrored hig drops in worldwide crude oil prices.

Food prices fell 0.3 percent in January, the biggest drop since June. This reflected a 16.5 percent decrease in vegetable prices, the biggest decline since June 1983. Robert Brusca, chief economist

at Nikko Securities International. underlying PPI data and concluded that inflation was "not as subdued

fond prices masked higher increases in other areas. The rate of inflation excluding only food rose 0.5 percent in January. But Robert Deiderick of North-

ern Trust Co. in Chicago said that there was a tendency for the PPI core rate to be up in the first few months of the year. "I don't view this as disturbing," he said, Bruce Steinberg, an economist at

Merrill Lynch & Co., agreed, saying: "The PPI report continues to show an absence of inflation at the wholesale level. The overall inflatioo elimate is bright."

ready registered sharp declines. Rosanne Cahn, an economist at First Bostoo Corp., said that energy prices caused most of the increase in January, but that this should be no surprise. "Energy is not going to he the same plus as it was in 1993." she said.

In December, wholesale prices fell by 0.1 percent, marking the sixth time in eight mooths that wholesale inflatioo either declined or showed no gain.

While there has been hitle evi-dence of inflationary pressures, the Federal Reserve Board launched a preemptive strike a week ago hy boosting a key sbort-term rate. (AP, AFX)

**ECONOMIC SCENE** 

### **Professor Stiglitz Goes to Washington**

By Sylvia Nasar New York Times Service EW YORK - When Laura D'Andrea Tyson, chairwoman of the Council of Economic Advis-ers, asked Joseph Stiglitz to become a member, the question to many was whether the ivory-tower theorist from Stanford University could possibly navigate the

currents of real-world policy-making.

The council's role, played mostly behind the scenes, is to inject as much economic rationality into government proposals as politics allow.

Mr. Stiglitz, 52, has written hundreds of papers on the economics of information, pub-lic finance and economic development, won the presigious John Bates Clark medal in 1979 and is widely expected to collect a Nobel prize some day.

He also is the quintessential absent-mind-ed professor, who has dashed into class and lectured on the wrong subject and often turned up with his tie or shirt collar seriously

In fact, Mr. Stiglitz and Washington circa 1993 are made for each other. He has spent his professional life focused on the idea that markets are imperfect and need to be re-"What ends up in the government's portfo-lio are the things where the market is having problems," Mr. Stiglitz said. "Government can make a major difference for the good if you structure policies appropriately."

That continent is in some with essecutions

That sentiment is in sync with everything the government has done or is thinking about doing whether it is overhauling the U.S. health-care system, ushering in the electronic information age or reducing the country's his ability to suggest compromises and alternatives when the discussion seemed to be emissions of greenhouse gases. And while economists - including the

ones who work for President Bill Clinton rarely have the last word on policy, many of those who have worked with him say that Mr. Stiglitz is having an impact by suggesting creative solutions to complicated problems.

"What he brings to the table is a fountain

'Government can make a major difference for the good if you structure policies appropriately.' Joseph Stiglitz, member of the Council of Economic Advisers.

of ideas," said Alan Blinder, the third member of the economic council. Take a recent contribution to the nuts and

bolts of the Mr. Clinton's environmental pol-icy, the new plan to reform the Superfund. The government's program to get companies to clean up polluted industrial sites has practically become synonymous with government waste and inefficiency. It was Mr. Stiglinz's idea to replace part of

the current system of liability — which en-courages costly lawsuits more than cleanups — with a system of arbitration and a set of economic incentives to encourage companies to stay out of court. Mr. Stiglitz sold his contribution to the

lawyers on the interagency task force that crafted the government proposal parily by the cogency of his arguments and parily by

**CURRENCY & INTEREST RATES** 

1 month: 3%-3% 6-6% 44-4% 3 months: 3.%-3% 5%-5% 4%-4% 4-4% 1 year : 3.%-3% 5%-5% 3.%-3%

heading for a stalemate.

"He always brings a new idea and perpetu-al good humor," said Alicia Munnell, assistant treasury secretary for economic policy. "He always has another notion of how this deal could be worked."

Mr. Stiglitz also is helping shape the government's thinking on ways to help politically powerful but economically weak states like California and New York without playing

havoc with the budget agreement.
Although Mr. Stiglitz sometimes compares himself to the greatest economists of all time, from Adam Smith to Paul Samuelson, many in Washington are disarmed by his tendency not to take himself too seriously and his ability to listen and his genuine enthusiasm for other people's ideas.

"Ioe brings a lot of intellectual power to problems," Professor Tyson said. "But how you bring it matters as much as what you bring, and Joe doesn't bring even the slightest trace of arrogance."

Of course, presidents rarely do what their economists tell them. Michael Boskin, Presi-

dent George Bush's chief economist, recalls that he had to threaten to quit to get an interview with his boss at the height of the

President Ronald Reagan wanted to dis-band the Council of Economic Advisers. Mr. Clinton uses the council, among other things, to help with his daughter's homework. But it is completely characteristic of Mr. Stiglitz, a can-do optimist, not to dwell on the half-empty cup of his influence. Twinkly

S Was to

See WASHINGTON, Page 10

ECU

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2%-2% 2 %-2 %

### **Managing Director** Quits at Le Monde

the talks.

By Alan Riding New York Times Service

PARIS - Le Monde, the prestigious French daily, was thrown into disarray Friday following the resignation of its managing director, Jacques Lesourne, who was just three years into a five-year contract.

Mr. Lesourne, the first nonjournalist to lead the afternoon newspaper, said he felt he was illequipped to carry out an austerity program approved earlier this week because his anthority had been undermined by "maneuvers" linked to his succession.

Like much of the French press, Le Monde has experienced a shump in advertising revenue, which now provide 23 percent of its budget, compared with 44 percent in 1991.

Relations between Mr. Lesourne and shareholders deteriorated sharply in recent weeks as the managing director tried to push through his austerity budget. The budget was approved Thursday hy Le Monde's supervisory board, but it had reservations. Mr. Lesourne said that, despite

staff and spending cuts, "draconi-

an measures" were still needed to restore the daily to health. His resignation takes effect Feb.

 Normally, his mandate would have ended in January 1996. In 1991, the year that Mr. Lesourne took over. Le Monde re-corded a \$5.2 million loss. The following year, it showed a \$250,000 profit, but in 1993 it again went in to the red, although the size of the

deficit has not yet been disclosed. The managing director's depar-ture is a particular blow to the daily hecause, under its cooperative structure, staff members have the last word in picking the chief editor and, in the past at least, this procedure has proved deeply divisive.

His predecessor, André Fontaine, had to stay on two years after his planned retirement for lack of agreement on a successor.

In a front-page article giving the reasons for his resignation, Mr. Lesourne said the battle for his succession had already begun, with even his close collaborators under pressure to take positions.

He added that, with its top management "at the mercy of alliances and ephemeral disagreements." Le Monde's situation could deteriorate.

### Time Considers TV Bid With British Companies

LONDON - The British media companies MAI PLC and Pearson PLC and the U.S. conglomerate Time Warner Inc. said Friday they would make a joint hid for a fifth conventional British television channel if such a service were ap-

The Independent Television Commission, a commercial television oversight agency, said it was evaluating responses to a consultant's report on whether there should be a fifth channel. "It's the last free, national chan-

nel io Europe," said Ajay Chowdhury, MAI's development director. "The others will all be satellite or cable to be paid for by the user."

Britain has four conventional television stations -- two run by television stations — two run by the British Broadcasting Corp. and two commercial networks. The idea of a fifth channel, paid for by adsense say vertising, has been floated but the British Broadcasting Corp. and two commercial networks. The idea said Friday that it wanted to pull vertising, has been floated but sioo channel ARTE, Reuters rescrapped before.

Time Warner, the world's biggest media company, was part of the only consortium to bid last time but the business plan was rejected by the television watchdog to December 1992.

Mr. Chowdhury said many of the problems associated with the previous bid had been dealt with.

He said it was hard to put a figure on a new bid, but £100 million (\$146 million) would be a "ball-

park" estimate.

Pearson publishes the Financial Times and other newspapers, has shares in commercial television stations and owns Britain's biggest television production company Thames Television. Thames, which Pearson bought last year, led the previous Channel Five bid with Time Warner.

MAI has a controlling stake in Meridian, an operator in Britain's ITV network, and also is taking over another operator, Anglia, which has three joint-venture deals with Time Warner's Home Box Office.

■ Belgian Station Wants Out Belgium's cash-strapped Frenchout of the Franco-German televiported from Brussels.

RTBF's chief administrator Jean-Louis Stalport, said on Belgian radio that he wanted to change the contract with ARTE that cifie programs. "I no longer have the means to do it," he said. Pulling out of ARTE would save

NEWS EVENTS WHICH COULD AFFECT

North Korean armaments A slow recovery in Europe Transition in South Africa Political uncertainty in Russia

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Austra	A. Sch	6,000	37	3,300	1,800
Beigrum	B.Fr	14,000	30	7,700	4,200
Denmark	DA	3,400	.33	1.900	1,050
Finland	F M.	2,400	AD.	1,300	700
France	F.F,	1,500	48	1,070	590
Germany*	DM	700	32,	385	210
Great Britain	2	210	3R ·	115	65
Greece	Dτ	75.000	275	41,000	22,000
ireland	ΩırL	230	97	125	68
Baly	LITE	500,000	47	275,000	150,000
Штетфоир	LFr	14,000	26	7.700	4,200
Numberlands	FI	770	40	420	230
Norway	N.Nr	3,500	36	1,900	1,050
Portugal	Esc	47,000	319	26,000	14,000
Span	Ptos.	48,000	24	26.500	14,500
- hand deliv Madrid	Plas	55,000	24	27,500	14,500
Sweden (ermail)	SKr	3.100	34	1,700	900
- hand delivery	SN:	3,000	28	1.000	1,000
Swigerland	S Fr	610	44	335	185
Rest of Europe en CEI	8	485		265	145
CEI, N. Africa, former French African, Middle East	s	630		345	190
Gulf States, Asia. Central and South America	s	780		430	235
Rest of Africa	5)	900		495	270

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Closings in Arosterdam, London, New York, Toronto and Zurich, Skings in other centers.
a: To buy one pound: b: To buy one dollar; \*: Units of 100; M.C.: not quoted; H.A.: not Other Dollar Values Sources, ING Bank (Amsterdam): Sodosest Bank (Brussels); Banco Commerciale Italiana Sources, ING Bank (Amsterdam): Sodosest Bank (Brussels); Banco Commerciale Italiana (Milan), Americe France Presse (Parts); Bank of Tolive (Toliva); Revol Bank of Canada (Malan), Americe France Presse (Parts); Bank of Tolive (Toliva); Revol Bank of Canada (Toranto); Mile (SOR), Other data from Reuters and AP.

| Feb. 11 | Feb.

**Key Money Rates** United States Prev. Britain

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ket slipped but Treasury bond among stocks that fell despite reprices firmed after the government porting improved profits this week. said wholesale inflacion rose a subdoed 0.2 percent in January.

### N.Y. Stocks

that the subdued rate of inflation would not push the Federal Reserve Board to act quickly in raising shortterm interest rates again.

The data spurred sentiment that bond prices because it erodes the value of fixed-income securities.

The stock market failed to track the gains in bond prices because of concern about corporate earnings for cyclical issues. Auto, chemical and semiconductor companies were among the session's biggest losers.

"Several important earnings an-conncements over the past several days have moderately disappointed the most optimistic analysts," said and I Tom McManus, a vice president at 78%.

NEW YORK — The stock mar- that General Motors and Ford were General Motors fell 11/4 at 61 and

was the third-most-active stock on trading with the yield edging down 6.41 percent from 6.44 percect Thursday. Investors Thursday. Investors were betting utes early because of winter storm, which kept overall trading subducd. The Dow Jones industrial average edged down 0.56 point, to 3,894.78, while losers paced gainers by a 10-to-7 ratio on the New York

Stock Exchange Timberland plunged 9% to 43% after the company reported earnings inflation was likely to remain in sharply below expectations. Anacheck. Rising inflation weighs on lysts said the stock has been overvalued recently and poised for a Iall. Shares climbed from 5 in December 1990 to a high of 85% in November.

Teléfonos de México'o American depository receipts continued to trade actively, gaining 1 to 74%.

The Nasdaq over-the-counter index dropped 2.05 to 781.37, driven by losses in technology stocks such as Novell, which lost % to 21%,

Oracle Systems, which fell % to 31%, and Microsoft, which dropped % to

### **Yen Rises After Talks** On Trade Accord Fail

Compiled by Our Staff From Dispatches NEW YORK - The dollar slipped against the yen Friday as President Bill Clinton announced that he and Prime Minister Morihiro Hosokawa of Japan had failed to reach agreement on ways to in-"It looks like the U.S. and Japan are in a stalemate." Dennis Pettit,

### Foreign Exchange

foreign-exchaoge manager at Long-Term Credit Bank of Japan in New York, said.

Traders had been selling dollars against the yen throughout the day, speculating that U.S. officials, feeling frustrated at the bargaining tabie, would resume calls for a strong yen as a means of reducing Japan's exports and its trade surplus.

The dollar tumbled against the yen last year after Mr. Clinton and others said a strong yen would help reduce the trade surplus by making Japan's exports more expensive.

The dollar was quoted late Friday at 107.18 yen, down from 108.25 yen at Thursday's close. Traders said the dollar probably would have fallen further if a snowstorm in New York had not prompted many banks to

halt trading early. Dealers said a temporary easing ington," he said. The biggest surprise, he added, is the fact that Washington isn't populated by a bunch of back-stabbers.

"markets suggests that discrimination can be self-reinforcing, not self-correcting as conventional economic models imply. of inflation concerns after a lowerthan-expected rise of 0.2 percent in U.S. producer prices in January data tended to pull the dollar down as well, as it seemed to reduce chances of the Federal Reserve Board mov-

"The administration will wan

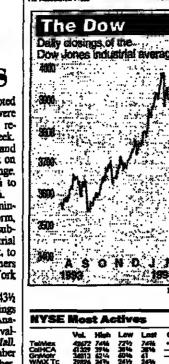
the yen to remain firm as trade tensions persist." Amy Smith, se-

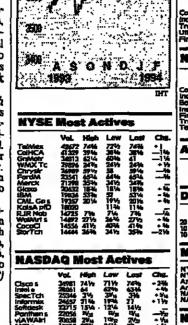
nior foreign exchange analyst at IDEA, a New York-based consult-

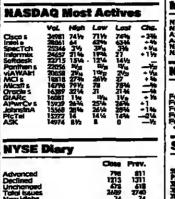
ing firm, said. She said she expect-ed the yen to strengthen further Another analyst said a stronger yen "would not be too difficult to hieve." as the market was already leaning in that direction" on fun-

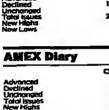
damental factors.

The dollar was slightly stronger against other major currencies, rising to 1.7540 Deutsche marks from 1.7534 DM on Thursday, to 1.4800 Swiss francs from 1,4793 francs and to 5.9585 French francs from









**NASDAQ Diary** 

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His theories about credit mar-

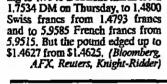
because they attract poor credit

"What I've tried to do for first

risks. And his analysis of labor

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smorgashord of interesting prob-lems" that wind up on the council's rates may not ease credit crunches

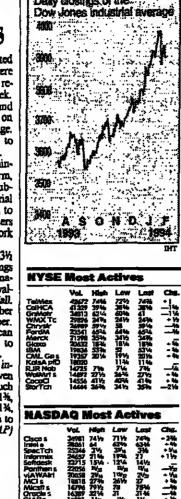


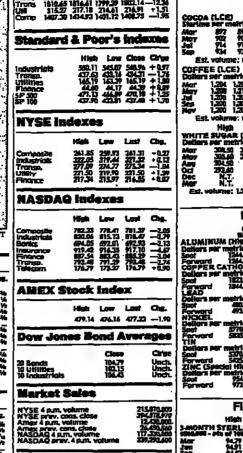
Continued from Page 9

I have the greatest job in Wash-

eyed, smiling and comfortably to-

tund, he is simply having too much fun munching his way through "the

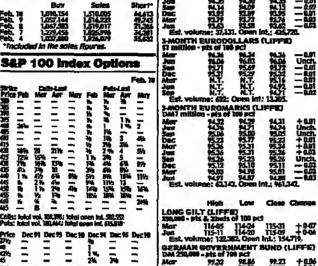


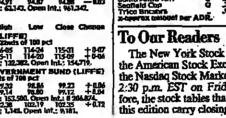


Dow Jones Averages

High Low Last







"Markets get the wrong answer.

There will be more stories about government failures in the ruled out," said Robert Lucas, an second edition," he said. cago. "But he never turned the corner into quantitative research. It the sojourn in Washington is not

likely to tarnish his reputation as doesn't give you a prescriptive apan absent-minded professor. Others worry that Stiglitz is too

Twenty minutes into a recent ready to believe that government meeting of Mr. Clinton's economic

John Taylor, a friend at Stanford and a member of the economics council under Mr. Bush, added that he, for one, was confident that a spell in Washington would remedy

The work Mr. Stiglitz has done of information are core to our un-in the past gives important clues to derstanding of all our institutions." Mr. Stiglitz's recently published introductory economics text contains hundreds of pages on market advice be'll give in the future.

His analysis of insurance markets concludes that they frequently break down because it is impossible

Some other economists question whether market breakdowns in theory are pervasive enough in reality to warrant an entirely oew economists. failures, but just a few on govern-

economist at the University of Chi-

Stock Indexe 30 31 12 325

industrials

BRENT CRUBE CIL (IPE)

The New York Stock Exchange, the American Stock Exchange and the Nasdaq Stock Market closed at 2:30 p.m. EST on Friday. Therefore, the stock tables that appear in this edition carry closing prices.

WASHINGTON: Absent-Minded Professor Adjusts to Life Away From the Ivory Tower team, for example, Leon E. Panet-"There will be more stories ta, the budget director, who had been staring at Mr. Stiglitz, jumped up, exclaimed, "I can't stand it any more, " and walked behind the

economist to straighten his tie. Mr. Stiglitz - and not, his colleagues say, for the first time - had tied the tie on top of his collar

### Rogers Bids \$2.3 Billion for Maclean

TORONTO (Combined Dispatches) — Rogers Communications Inc., Canada's largest cable television company, said Friday it was offering \$1.23 billion for the Maclean Hunter Ltd. media company. Rogers bid 17 Canadian dollars (\$12.67) in cash for each Maclean Hunter share. In addition, shareholders would receive a share of the proceeds from the sale of Maclean Hunter's U.S. cable television assets if

the sale generates more than 1.5 billion Canadian dollars. Rogers amounced Feb. 2 that it wanted to acquire Maclean Hunter, but delayed making an actual offer because of a disagreement over a block of 36.3 million shares controlled by Maclean Hunter's directors. It has been concerned that it could not afford to buy those shares. A ruling Thursday by the Ontario Securities Commission said Rogers would not

Maclean serves 1.2 million cable television subscribers in the United States and Canada and publishes 200 consumer and trade periodicals, including Maclean's, a leading Canadian news magazine. (AP. Renters)

### Paramount Thinks QVC Broke Rules

NEW YORK (Combined Dispatches) — Paramount Communications Inc. told QVC Network Inc. on Friday that it had "grave concerns" that the home-shopping company may have violated the bidding rules it accepted to conclude the five-month-old takever fight for Paramount.

Paramount's statement to QVC came a day after Viscom Inc., a rival hidder complained to be beginning that bidder, complained to Paramount that QVC appeared to be hinting that its bid may be shored up by possible future purchases of QVC stock. QVC

denied any violation. Paramount had siked its two suitors to make their best offers by Feb. 1.
Shareholders have until 12:01 A.M. Tuesday to indicate which offer they prefer. Paramount said Friday that if neither bidder gets 50.1 percent of its shares by the deadline, the bidding-procedures agreement would

### Amoco to Cut Jobs at Subsidiary

CHICAGO (AP) — Amoco Corp. said Friday that up to 600 jobs will be cut in a reorganization of the marketing department of its Amoco Oil

The department now employs 6,000 people, the company said. The lay-offs, which will affect employees in 29 states and the District of Colum-bia, follow the second-most-profitable year in Amoco Oil's instory, the

### Ruhrgas Buys Into Tenneco Gas Unit HOUSTON (AF) — Tenneco Gas said Friday it sold a 20 percent stake of its Tenneco Energy Resources Cosp. to Ruhrgas AG, a private natural gas company based in Essen, Germany Tenneco Gas, a subsidiary of Tenneco Inc., said the two companies

also signed an agreement to jointly pursue projects in the European energy market. The deal, terms of which were not announced, was expected to be complete within a year.

Ruhrgas is Germany's biggest natural gas distributer and Tenneco Energy Resources is one of the five largest U.S. marketers.

### New York Times Returns to Profit

NEW YORK (NYI) — The New York Times Co. earned \$6.1 million in 1993, compared with a loss of \$44.7 million in 1992, despite a 1993 fourth-quarter loss of \$24.1 million.

fourth-quarter loss of \$24.1 million:

The company, which owns half of the International Herald Tribune, said a reduction in the value of its forest products operations and the expected cost of a planned staff reduction at The New York Times resulted in the loss for the quarter, which compared with a loss of \$3.7 million in the fourth quarter of 1992.

Full-year earnings got a boost from strong operations in the newspaper division and lower-than-anticipated taxes. The acquisition of the Boston Globe newspaper also contributed to increased revenue and profit.

### Weather Fells Toll Brothers' Stock

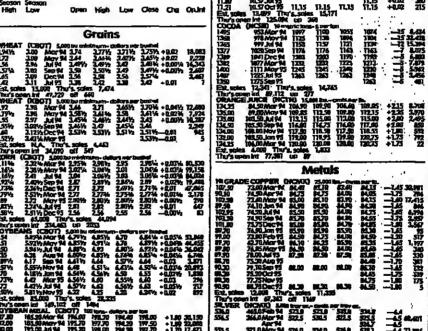
HUNTINGTON VALLEY, Pennsylvania (Bloomberg) - Shares in Toll Brothers Inc., which builds bexury homes, tumbled on concerns that bad weather in the Northeastern United States would cut the number of

homes the company can complete in the second quarter.

In late trading on the New York Stock Exchange, shares in the company fell 37.5 cents, to \$16.625, in heavy trading. The stock was down as much as \$3,375 earlier in the day. Toll Brothers executives were not

### available for comment.

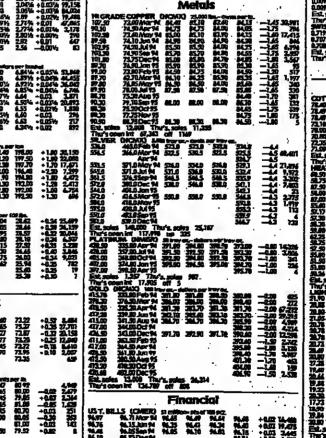
For The Record Memorex Telex N.V., the Amsterdam-based computer network compa ny filed a U.S. Chapter IT backetiptly perious for reorganization Friday, the perition includes its two U.S. subsidiaries. (Bloomberg Bostmen's Trust Co., a unit of Bostmen's Bancshares Inc., agreed to

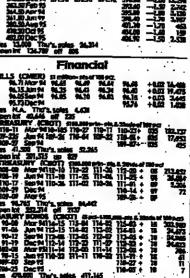


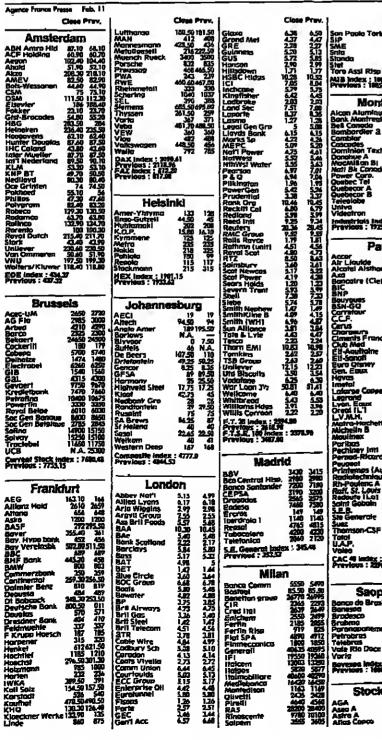
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buy Eagle Management & Trust Co. from Guinness Peat Group FLC for an undisclosed sum. (Bloomberg)

EUROPE

### **EU Cancels** Import Offer For Bananas

Compiled by Our Staff From Dispatcher
BRUSSELS — The European
Commission said Friday that it had withdrawn an offer made in December to increase banana imports from exporting countries in Latin Ameri-, whose position apparently was

backed by an arbitration panel.

The EU offer of improved market access was conditional on the five Latin American nations dropping a complaint to the General Agreement on Tariffs and Trade that EU mport rules introduced in July were discriminatory.

in Geneva, sources said a report by a GATT arbitration panel con-demning the EU import rules was submitted on Friday to all members of the GATT Council, who must unanimously approve it to make it effective. But because the EU is on the council, it unlikely to accept the findings, which were submitted to

the countries involved in January. The Commission offered in December to increase a 2 million tona-year banana import tariff quota to 2.1 million tons in 1994 and to 2.2 million tons in 1995.

The Latin American countries are Colombia, Costa Rica, Guatemala, Nicaragua and Veneznela Guatemala and Costa Rica rejected the offer, a commission official said.

The EU carlier rejected a propos-al by Guatemala to increase the EU banana import quota by 500,000 tons, to 2.5 million tons and to re-

### Deepening Crisis at Ascom Finance Chief Quits in Dispute With Board

ZURICH - The abrupt departure of Ascom Holding's finance director has pushed the Swiss company deep into crisis, making the speedy sale of its unprofitable units imperative, industry analysts said Friday.

The company needs visible results, and they must come from closure or sale of activities," said Roland Leutenegger, a stock analyst with Bank

Ascom announced late Thursday that its finance chief, Klaus Rütschi, had resigned because of disagreements with the board over financial manage ment and information policy. The position of fi-

nance director remains vacant. News of his departure helped drive Ascom's share price lower in Zurich trade on Friday. In late trading, the shares were quoted at 1,230 francs (\$8.30), down 50 francs.

Mr. Rütschi is not the first senior executive to leave the commany at short notice. A former chief

leave the company at short notice. A former chief executive, Leonardo Vanotti, resigned at the end of

Ascom said earlier this month that it was expecting to report a group loss of 150 million to 350 million Swiss francs (\$100 million to \$235 million) for 1993, but added it hoped to break even in 1994 and at least avoid a loss from operations this year. In the first half of last year Ascom reported a loss

of 79 million francs. Heinrich Steinmann, a board member, said Thursday that the company could imagine linking up its cable activities with American Telephone & Telegraph Co. Ascom also said in December that it would form a joint venture with the German electronics concern Robert Bosch GmbH to produce

private mobile radios. The plans would give Bosch a majority interest in a joint venture incorporating Ascom's unprofitable Ascom Radiocom AG, which mainly produces mobile radios for such public authorities as police forces and railroads, and for transport companies. Ascom was formed from a merger among three traditional suppliers to the Swiss national post and telecommunications service, which had previously thrived in the protective haven of the Swiss domes-

But recession, liberalization of the telecommunications market and reduced public purchasing

'Ascom is certainly in crisis. Any company that is losing an annual 300 million francs is in crisis.'

Roland Leutenegger, stock analyst, Bank Julius Bär.

have forced Ascom into deficit, obliging it to

Analysts say the company must now sell units to halt losses. "Ascom is certainly in crisis, Mr. Leutenegger said. "Any company that is losing an annual 300 million francs is in crisis."

"The company made one big mistake in the past," he added, "and that was to concentrate on acquisitions and external growth, rather than on integrating existing activities."

Viktor Damman of Bank Vontobel also said that

Ascom still had some cards to play.

Mr. Damman, who estimated the 1993 loss at about 280 million francs, noted that in some areas, such as transmission, cordless phones and ticketvending machines, the company could boast state-

of-the-art technology.

sales of units were needed. But Mr. Damman said

### Cap Gemini Pins **Loss on Economy** And Restructuring

Compiled by Our Staff From Dispatches PARIS — Cap Germini Sogeti SA said Friday its loss widened last year to 434 million francs (\$73 million) in 1993 from the 80 million 218.20. francs it reported a year earlier, and the software and computer-services concern said it would seek 1.5 bil-

lion francs of new capital. Cap Gemini, which is linked to Daimler Benz AG through its hold-ing company, also revealed that the 80 million franc profit reported a year ago included a significant capital gain from the sale of its former headquarters. Without the additional income, it said, its loss would have

been 333 million francs. Pierre Hessler, the deputy man-aging director, said the company saw cause for optimism this year. He said a difficult economic climate and the company's restructuring program were the roots of the losses in the last two years. Mr. Hessler refused, however, to pro-

vide a 1994 profit forecast. Mr. Hessler said an improving economy and reduced financing charges would help the company this year. He said Cap Gemini expected financing costs to fall after the capital increase, details of which were vague. The company said earlier in the day that Sogeti SA, its largest shareholder, would

subscribe to 61.5 percent of the

pany took a 31 percent stake in

Argus Newspapers of South Africa,

for 20 million punts (\$28 million).

ing role in the new South Africa

that will take shape after the first

multiracial elections there in April,

debt of about 10 million punts at

the end of 1993. The company

mened in first-half pretax profit

last year of 14.57 million punts.

(Reuters, AFX)

COMPANY RESULTS

Independent Newspapers had

The acquisition gives him a lead-

minority shareholding in Sogeti.
On the Bourse on Friday, Cap Gemini's shares fell 10.80 francs, to

Vincent Grimond, the vice chairman of the company, said Cap Gemini would raise additional funds by accelerating its program of selling nonstrategic assets. He did not provide details, but he said the company's asset disposals last year totaled 200 million francs.

The company did say that it had recently sold its stakes in Jacobson & Widmark AB of Sweden, Carelcomp Oy of Finland and Copernique of France.

Another asset shift involves the planned merger in Germany of Cap Debis, of which Cap Gemini owns 49 percent, with debis Systemhaus GmbH, which owns the rest. Cap Gemini said the move would rein-force its link with Daimler-Benz Interservices AG, known as Debis, the financial services unit of Daim-

In its earnings statement, which was provisional, Cap Gemini said its sales fell 7 percent, to 11 billion francs, although without exchangerate fluctuations the decline would have been 4 percent. This revenue figure did not include Sogeti Con-sulting's sales, which \$516 million.

(Reuters, AFX, Bloomberg)

Canal Plus Aide

Ouits Havas Post

PARIS - André Rousselet

chairman of the French pay tele-

vision channel Canal Plus SA.

has resigned from the board of Havas SA, the station's control-

ing shareholder, to protest a re-

shuffling of Havas share capital,

It was reported Friday that Havas put its 23.5 percent stake

in Canal Plus into a jointly held

company with Compagnie Générale des Eaux SA.

Canal Plus said.

### CAC 40 FTSE 100 Index 434.37 437.32 Ameterdam AEX Frankfurt FAZ 812.29 817.08 1,961.15 1,933.82 Financial Times 30 2,594.80 2,518.90 %-0.92 FTSE 100 3,407.00 -0.82 3.378.90 345,40 353,53 -2.30 1,087.00 1,085.00 +0.18 2,275.09 2,296.77 -0.94 Paris CAC 48 Stockholm Affaersvaeriden 1,743.33 1,793.02 277 Vienna Stock Index 495.53 502.95 1.48 SBS 4,033.04 1,045.32 41.17

**Investor's Europe** 

### Very briefly:

• British Aerospace PLC said its chairman, John Cahill, will resign at the next annual meeting. He is to be succeeded by Bob Bauman, who is to retire as chief executive of SmithKline Beecham PLC at the end of April. Istituto per la Ricostruzione Industriale, the Italian state holding company known as IRI, said the sale of its 54 percent interest in Banca merciale Italiana SpA will start Feh. 28. The price will be set Feh. 26. • West German retail sales fell an inflation-adjusted 6 percent in Decem-

ber from a year earlier, to 68 billion Deutsche marks (\$39 billion), the Federal Statistics Office said.

Siemens AG and Motorola Inc. said they would build a mobile phone

network in Kuwait. Siemens valued the contract at 50 million DM. • Pentos PLC, the British retailing company, said it is selling a 53-store computer chain called Ryman Computer Stores to Cellular Communica-tion Corp. for £100,000 (\$146,000). Pentos said it would take an excep-tional charge of £3.9 million against 1993 results.

Burford Holdings PLC, a British real estate company, said it will buy !5
properties from Ladbroke PLC for about £100 million. Burford said the
acquisition would be financed by the sale of three new shares at 92 pence

each to holders of five existing common shares. Royal KNP BT NV, the Dutch paper and office products company, said it expected a loss before extraordinary items of 23 million guilders (\$11.7 million) for 1993. It reported profit of 175 million guilders a year earlier. • KLM Royal Dutch Airlines plans to streamline its corporate structure and reduce the number of its divisions to two from three. The Dutch

carrier will merge its freight division with its passenger transport division. The structure of its operations division will also be revised. • The French economics minister Edmond Alphandery said he foresaw only limited possibilities for lowering French interest rates independently

Bloomberg, AFX, Reuters, AFP

### LLOYDS: Profit Climbed in '93

Continued from Page 9

est," with a "substantial" further recovery to come.

Lloyds' British retail-banking operations reported a 1993 pretax profit of £74 million, reversing a pretax loss of £32 million the previ-

Retail operations, Mr. Ibbs said, were still affected by weak loan demand from small businesses, although there had been some upturn

in loan demand in 1993. The chief executive of Lloyds Bank, Brian Pitman, said there had been a "substantial increase" in demand for personal loans, largely consumer loans and mortgages, and a "slight turnaround" in the

commercial sector. But he said demand for loans to small businesses continued to be subdued and loan demand from large corporation was actually declining, with many big businesses looking to rights issues and bonds as sources of new funds instead.

Friday's Closing
Tables include the nationwide prices up to
the closing on Wall Street and do not reflect
late trades elsewhere. Vie The Associated Press

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### The combination of weak loan demand and increasing competi-

tion in the financial sector was causing a "continuing squeeze on margins," Mr. Pitman said.

Mr. Pitman said he expected margins to continue declining at Lloyds and elsewhere in the financial-services sector, as competition

was continuing to intensify.

Mr. Ibbs added he saw "some degree of consolidation and restructuring" in financial services in Britain necessary and "inevitable." He said the restructuring would mean further job losses, although he said there would be no "violent

or stidden" job cuts at Lloyds. Lloyds stock, which was the only major British bank to underper-form the London Stock Exchange in 1993, were unchanged at 615 pence Friday. The shares rose 16 percent in 1993, while the Financial Times-Stock Exchange 100-share

index was gaining 25 percent. (Bloomberg, AFX, Reuters) two paid and six free papers.

### Tony O'Reilly Strikes Again

Compiled by Our Staff From Dispatches Compiled by Our Staff From Dispatcher

Ray Tindle, through Tindle Five days later, on Wednesday of LONDON — Independent Newspapers Ltd., is to retain a 33 this week, his Dublin-based com-Newspapers PLC, the Irish publisher controlled by Tony O'Reilly, said Friday it was taking a majority stake in a London press concern, only days after Mr. O'Reilly bought ma-

jor holdings in newspaper compa-nies in South Africa and Britain. Independent Newspapers, Iroland's biggest media company, said it was was buying nearly 67 percent of Capital Newspapers PLC from the British publisher EMAP PLC and Stantonmill Ltd. for £4.8 mil-

Trade and Industry.

tion (\$7.02 million). The agreement is subject to the approval of the Department of Capital has nine paid-circulation newspapers and five free newspa-pers. Independent said it would

consolidate them with the Greater

London & Essex Newspapers con-cern it already owns. The latter has

Div Yid PE 1995 High · LowLohast Ch'ga High Low Stock

percent stake in Capital Newspapers. Independent Newspapers said Mr. Tindle has granted it an opdon to buy this holding.

If the option is exercised at the end of a five-year option period, the maximum consideration pay-able would be £3.3 million, it said. Industry analysis say Mr. O'Reilwho is also chief executive of

H. J. Heinz Co., is intent on turning Independent Newspapers into a maor international media concern. It is fighting a consortium led by Mirror Group Newspapers PLC for control of Newspaper Publishing PLC of Britain, owner of the ailing Independent and Independent on Sunday, oewspapers out related to Mr.

O'Reilly's company. Mr. O'Really spent £18.4 million on a 24.99 percent stake in News-paper Publishing last week.

Revenue and profits or losses, in millions, are in local currencies unless

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of trends in other European countries.

CALL FOR TENDERS

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SOCIAL ACTION FOR SANTIATION PROGRAM - PROSEGE
BAHIA STATE GOVERNMENT
MUNICIPALITY OF LAURO DE FREITAS
SPONSOR - CITY OF LAURO OE FREITAS

The City of Lauro de Freitas (Sponeor) hereby announces thet at 10 a.m. on 31 March 1994, at Rua Alfredo Tomot Street sin, the suddonum of the City's Municipal Education Department, the Chalman of the Blading Committee will be accepting documentary proof of qualification and tenders for the construction of a sewage system. The project includes the installation of a \$2,000-m PVC collection system, 2,250 household connections and 03 mastricin units composed of an asserbible and alternative pools, as described in the tender documents. Participants in this competition must be Brazillan or foreign companies from World Bank member bountries. This project will be funded by the Social Welfere Ministry (MBSS), with partial financing provided through lost the Social Welfere Ministry (MBSS), with partial financing provided through lost 6220C-8R, granted to the Brazillan Government by the World Bank, as well as funds from the Federal Budget. These amounts will be matched by the City of Lurin de Froitas, in accordance with Budget Law 797/93 of 23 December 1993. Complete sender documents may be examined and purchased for the sum of CR\$100,000.00 (one hundred thousand crusicions energy at the central office of the Municipal Administration Department (Secretaria de Administração), as of the first day this announcement is published. Documents will be available during office hours and no later than 10 (ten) days before the date when identification and tenders are to be submitted.

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(Continued From Page 13)

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| Page |

ASIA/PACIFIC

### Murdoch **Gets Wary** Welcome

### India Says Media Biased Against It

Compiled by Our Staff From Dispatches

NEW DELHI - The government offered a cautious welcome Friday to plans by the media mag-nate Rupert Murdoch to set up a television company in the country, but complained that foreign mer often distorted reports about India.

Officials present at a meeting between Prime Minister P. V. Nara-simba Rao and the Australian-born tycoon said Mr. Murdoch had expressed a desire to invest in India.

The prime minister welcomed Mr. Murdoch's plans to set up studios in the country but told him that New Delhi's image was often tarnished by bias in the foreign media," an aide to Mr. Rao said.

This amounted to a cautious welcome in a country where there is deep mistrust of the West and where many express fears of a cul-

Mr. Murdoch was quoted by the Economic Times newspaper Friday as saying he planned to set up a television company for India with

its own studios in the country.
Owner of the Hong Kong-based
STAR TV broadcaster, Mr. Murdoch told the newspaper he would set up an India-based company once he could beam programs out of In-dia by satellite. Such uplink facilities are now a government monopoly.

The television company for local viewers will be called STAR India. will broadcast programs focusing on Indian culture and be owned by Mr. Murdoch's News Corp. "It will be quite different from my operations elsewhere," Mr. Murdoch said. "It will be something for just Indians."
Mr. Rao advised Mr. Murdoch

to "understand India" so that the proposed television programs projected the country truthfully, officials said, Mr. Murdoch said he was making his current visit to India to acquire such understanding.

The media baron donated \$10,000 to the Prime Minister's Relief Fund, which finances emergency assistance in times of calamity. In addition, Mr. Murdoch has met with Indian politicians, publishers and cable-television opera-

tors during his trip. Separately, Mr. Murdoch said he had no plans to move STAR TV, which broadcasts six channels to 38 Asian countries, out of Hong Kong when the British colony is returned to China in 1997.

"I think we have to make our peace with the Chinese government and the Chinese people," he said, referring to efforts by Beijing to have enjoyed 100 percent growth (Remers, AFP)

### Malaysia Throws Japan a Hardball Pay More for Natural Gas or Shop Elsewhere, It Says

KUALA LUMPUR -In the first hand of

a high-stakes poker game, Malaysia is telling its best customers, the Japanese, to pay more for liquefied natural gas or start looking else-

where for new supplies.

Malaysia, one of the world's largest producers of liquefied natural gas, is flush with new natural gas for export. At the same time, it is trying to decide whether to commit hundreds of millions of dollars to build the next phase of its LNG processing complex on

the island of Borneo.

The country's problem, and the one facing LNG producers worldwide, is that higheried natural gas prices, closely linked to crude oil. are too low to warrant the huge cost of increasing production capacity.

Our customers must realize that they will not have new supplies unless then are prepared to pay more," said Datuk Tan Sri Azizan Zamul Abidin, president of Petroliam Nasional Bhd., Malaysia's national oil com-

If Malaysia's relatively modest expansion cannot get off the ground, the outlook is bleak for the construction of the large new plants needed to meet rising demand in Ja-pan, Taiwan and South Korea, analysts said. While no one is talking about boosting the price of biquefied natural gas sold under exist-ing contracts, Tan Sri Azizan of Petronas said

something must be done now to spark construction of new capacity.

Part of the problem, he said, was that no one in the LNG business really knows how a new pricing system would work. Under the current system, the price of LNG delivered to Japan is pegged to the average price of a selection of grades of crude oil.

In Japan, LNG use has grown dramatically to account for about 11 percent of total energy demand since the country began im-

porting the fuel from Alaska in the late 1960s.

Japanese imports of more than 48 million metric tons a year account for about twothirds of world consumption. According to industry estimates, Japanese LNG demand could rise to 88 million tons by 2010.

Spokesmen for Japanese gas industry asso-ciations declined to comment on Malaysia's effort to play hardball on capacity expansion. at Satoru Aonuma, a spokesman for Tokyo Gas Co., suggested that "decoupling" LNG prices from oil would be difficult. Since LNG and crude oil are competing

Malaysia's problem is that LNG prices are too low to warrant the huge cost of increasing production capacity.

fuels, it is inconceivable that the prices of the two products would be different," said Mr. ma. "It is just a matter of supply and demand. We burn LNG and oil for the same

A medium-size exporter, Malaysia sells about 8 million metric tons of LNG a year to consumers in East Asia. The country is anxious to develop its plentiful reserves of gas to meet what many have predicted would be a virtual explosion in LNG demand during the

Petronas is not alone. For years, sellers of LNG in the Far East - Australia, Indonesia, Brunei and the United States - have made the same argument about prices. The current price of about \$3.50 per million British thermal units is too low, they have said.

The low-price outlook partly explains a rush by LNG producers to expand existing capacity. Producers have the raw gas to sell and it is cheaper to expand a plant already in

place than to build a new one. With the exception of a proposed LNG plant in Qatar, no new plants are expected to get off the ground in the Asia-Pacific region efore the end of the decade.

The primary reason the Qatar project will proceed is because its \$2.9 billion price tag as been underwritten by "Japan Inc.," said James Ball, an executive at London-based Gas Matters, a gas industry newsletter. Japanese companies have provided favorable financing for the project, he added.

Indonesia's Natuna gas development is perhaps the biggest project stalled by low prices and high costs. In Indonesian waters in the South China Sea, the field contains an estimated 210 trillion cubic feet of gas (6.3 billion cubic meters).

But the \$30 billion price of developing Natura has pushed the estimated price of its gas above \$5 per million British thermal mits. Much of the cost of development is linked to the stripping of carbon dioxide from gas and disposing of it under the seabed. Malaysia's push to win higher prices for its

liquefied natural gas is the opening gambit in what will likely be protracted negotiations with Japanese buyers. Meantime, Petronas executives are busy developing new LNG markets in Asia. The rationale is that if Japan is unwilling to pay, then perhaps China, Thailand or India will.

Tan Sri Azizan said the most likely new buyer of LNG in Asia was China. Already, Royal Dutch/Shell Group, in partnership with PowerGen PLC, is studying the feasibil-ity of an LNG receiving terminal and power

### **Profit Rises** At Pacific Dunlop

Compiled by Our Staff From Dispatches MELBOURNE - Pacific Dunloo Ltd. said Friday its profit rose 26 percent in the six months ended Dec. 31, to 150.5 million Australian dollars (\$108 million), and it forecast further growth.

Sales rose 9 percent, to 3.51 bil-lion dollars. Pacific Dunlop de-clared an interim dividend of 11 cents a share, compared with 10.5 cents a vear earlier. The manufacturing company

said strong performances by its batteries division in North America and strength in most of its Australian operations were the main reasons for the improved profit. The result, however, was at the lower end of analysts' expectations.

Pacific Dunlop's operations include industrial, automotive, food and medical products, as well as clothing and footware. Chairman John Gough said he

was confident lbe company's "growth momentum" would continue, with consumer confidence climbing in North America, Australia and New Zealand. Profit in the food group was flat

despite the acquisition of Plumrose foods in July. But Philip Brass, managing director, said food results were usually stronger in the second half of the financial year.

The company's 50 percent stake in South Pacific Tires, a partnership with Goodyear Tire & Rubber Co., contributed 15.5 million dollars to pretax profit, up from 12.1 million dollars a year earlier.

(Reuters, AFP)

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### Very briefly:

 Vietnam expects to increase its crude oil output to 7.1 million metric tons this year from the 6.3 million produced in 1993, with output increased by two newly tapped fields.

• The Asian Development Bank said loans and investments in 1993 rose 3.2 percent from the previous year, to a record \$5.3 billion, with loans to the private sector without government backing jumping 79 percent.

• BTR PLC's Nylex Ltd. unit is investing 90 million Australian dollars (\$65 million) in its glass factory in Adelaide, Australia, so it can produce 160 million additional wine bottles a year starting in 1995.

 Compagnie des Signaux & d'Equipements Electroniques won a contract worth 150 million francs (\$25 million) to provide a speed-control system to the Chinese railway authorities.

Nintendo Co. will base its next generation of video games on solid-state computer cartridges instead of the compact-disk system upon which its

competitors are basing their next systems.

 Portland Smelter Services Pty. plans to reduce aluminium production by 26,000 metric tons a year at the direction of its owners; the company produces 320,000 metric tons annually. Portland is 45 percent owned by Alcoa of Australia Ltd., 25 percent by the Victoria state holding company Alavic, and the remaing 30 percent is equally held by China International Trust Investment Corp., First National Resource Trust and Marubeni Alteninium Australia Ltd. AFP, AFX, NYT, Reuters

### INDIA: Consumerism on the Rise

### Continued from Page 9

those of their neighbors and trading partners, were pushing for.

"We have total public support for reforms in the banking system now," said Ravi Vira Gupta, a career civil servant trying to make India's state-owned banking sector more profitable and customer friendly. "The public is fed up with substandard service. It wants to see. things change quickly."

Poverty and a lack of the most

basic government services charac-tenze the lives of millions of Indians. But with increasing prosperity in the upper and middle classes, in which at least 40 million people earn more than \$40,000 a year and 60 million speak fluent English, India promises to become an importent consumer market for international companies.

Advertising agencies, many now expanding foreign brands in India, over the past three years.

manufacturers and merchants emerging from decades under a system where government planners often dictated which products companies could make, where they could sell them and at what price.

"The Indian consumer now wants the best of both worlds," said Krishnan K. Modi, Lalit Modi's father and head of tobacco, tea and chemical operations in the family group. "He wants higher quality and will pay for it."

■ A Fully Digital Network A government official said Friday that India's telecommunication system would become fully digital by 1996, when it plans to launch the multipurpose Integrated Services Digital Network, Reuters reported from New Delhi.

The network is a high-speed communications system in which voice, data, image and video comimmications are integrated. The official said India would be among "the few developing nations to have this advanced communica-Such targeting worries domestic tions system."

### **Japan Hopeful on Bond Sales**

TOKYO - Japan's program of bond issues in the year that begins April 1 is expected to be well-received by investors despite a scheduled sharp rise in the count of securities sold, analysts said Friday.

The country's proposed budget for the coming fiscal year, released this week, the Finance Ministry forecast that government bond issues would total 36.5 trillion yen (\$337 billion).

That compared with an initial estimate of 29.9 trillion yen for the current year, although analysts said the total for this year would probably reach at least 32 trillion yen because of the three supplementary budgets the government has brought out to try to stimulate the economy.

The funding should not be a problem, given the state of the economy, with banks and insurers faced with low demand for funds," Neil Rogers, an analyst at UBS Securities, said.

Finance Ministry officials said the program for the new year would include an estimated 12 trillion yen of 10-year bonds in monthly auctions of 1 trillion yea each, 1 trillion yen of 20-year bonds, 1.2 trillion yen of two-year issues, 2.5 trillion yea of four-year, 200 billion yen of five year and 900 million yen of six-year issues, as well as an increase in Treasury bill issues to 11 trillion yen from 10 trillion yen in the current year. time," Marshall Gittler, a bond analyst with Merrill year, they said.

Lynch Securities, said, also noting that the planned 2.5 trillion yen of four-year paper was up from 2 trillion ven in the current year.

But although analysts welcomed the spread over different maturities, Mr. Rogers said the issuance program was "lumpy," with much of the supply set to come out near the end of the fiscal year, possibly leading to "periods of indigestion." Success of the plan, therefore, would require "a steep yield curve to ensure that demand is strong." The yield curve depicts
the difference between sbort-term bond yields and, usually higher, long-term yields.

Analysts also said demand problems may emerge if the government finds it necessary to issue even more bonds during the year because their economic assumptions fail to work out.

"In the budget for the year to March 1995, the government is forecasting quite large tax-receipt growth, which did not occur in the current year," Mr. Rogers said.

Analysts said private-investor purchases of govern-ment bonds are expected to rise to 28.8 trillion yen in the coming year from an estimated 20 trillion yen this fiscal year, with purchases by the Finance Ministry's trust fund bureau and the post office savings program likely to decline.

Public-sector purchases are expected to decline to "We are to see six-year bond issues for the first 7.8 trillion yen in the new year from 10.9 trillion this North America, and 9 percent if it was to benefit from the

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### Air New Zealand Profit Gains

WELLINGTON - Air New Zcaland Ltd. announced Friday that profit in the first half rose 46 percent, helped by strong growth in tourist traffic in the region. The carrier said net profit in the

six months that ended Dec. 31

climbed to 88.1 million dollars (\$51 million), from 60.2 million dollars in the like period a year ago. Passenger revenue in the halfyear was higher. For the Asia re-

gion alone, it rose 18 percent. The sales they were 15 percent higher in higher for Europe.

While Air New Zealand said gains in the second half likely would not exceed those of the first six months, it predicted that fullyear earnings would "comfortably exceed" 1992/93 profit of 139.5 million dollars.

The growth in earnings in the first balf was driven by almost entirely by growth in passenger numbers and the resulting higher load factors rather than by yield improvements, the carrier said.

Air New Zealand said it would need to keep tight controls on costs m tourism in the South Pacific.

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### **Modest Tip** To Readers: **Sell Pounds**

to know what will happen in to-morrow's markets are either fools or charlatans, here is an investment recommendation for dollar investors with U.K. assets: Sell the British pound.

There are a number of good reasons to do so. First of all, it has oot been a good week for the U.K. government — a sorry and confused administration whose "back to basics" policy seems to be a euphemism for "back to my place." And a perception of further weakness in the U.K. administration has barmed the pound.

More importantly, the economic news is not good for sterling, especially when viewed from a dollar-oriented investor's perspective. The best guess at the future direction of both U.K. and U.S. interest rates is that they are headed north. U.S. rates, after reaching their lowest point for almost three decades have almost cowhere else to go, and the tiny cut in U.K. rates signals the bottom of the downward cycle.

And then there is inflation to consider. The most optimistic scenario economists were offering was two years of relative stability predicated on the assumption that British consumers are still battered by debt and poor enough to force retailers to slash margins and cut prices. Hardly a confidenceinspiring analysis, and a long way from the glad, sunny morning of exchange rate mechanism membership. That was an era when some Whitehall mandarin produced the notioo that sterling would become the main-stay of the ERM as inflatioo was eradicated from the U.K. ecocomy. The markets treated that little daydream with the mild coo-

tempt it deserved. And then there is cyclicality, a concept used by economists and analysts when they really mean they have a bunch that some thing's bound to move back in the direction from whence it came. This column's view is that after a long period of being oversold the greenback will now be overbought for some time. That view applies to its value against every major currency, notably the yen and the Deutsche mark. But if you want to make a bit of quick money trade, bet on the less-important dollar-sterling rate and go short

By Conrad de Aenlle

HANCES are owners of battered stocks were spared much further insult when the American market took a sharp dip last week, after monetary officials said they were inclined to nudge interest rates up. The bottom-dwellers usually follow their own path, untouched by the meanderings of the market at large. The trouble is that the path generally is downward, and the prevailing wisdom is that such wretched shares

are best avoided. The Value Line Investment Survey, which has been ranked the best oewsletter for more than a decade by independent raters, attained such success by doing just that. Its analysts follow a momentum system that ranks stocks by their growth in earnings and price and bets on those near the top in both.

Nothing kills momentum like a frightening cascade, such as the one a week ago Friday, when the Dow Jones industrial average lost 96 points, or more than 2 percent. Steve Sanborn, Value Line's research director, concedes that the fall probably brought his high fliers closer to Earth.

"Stocks selling at high price-earnings ratios are the ones we tend to like, and they are often volatile. You can have a good deal of movement in them," he said. "They probably got hit hard Friday, but they're probably coming back pretty well today." (The Dow recouped about a third of its loss the following Monday.) Lowpriced stocks, he said, "probably weren't hit as hard Friday, but they're still not good invest-

The reason they are so bopeless, according to him, is that figuring out when these investments are finally going to have a worthwhile rally is pretty difficult.

"When you're investing in companies that have earnings that are growing rapidly, you can buy at the wrong time," he said, "but eventually those earnings will bail you out. The market will recognize those earnings. On the other side, you have to pick the turns."

He noted that auto stocks were supposed to come back to life three years ago, but they only did so two years after that. When stocks in those cyclic industries do bounce back, usually when the economy picks up from a protracted downturn, it can happen with tremendous

"When you're coming out of recession, that's the time when depressed cyclical stocks have a big shot of earnings," Mr. Sanborn said. At some time the market does recognize this, often all at once. The market all of a sudden

**Bottom Fishing** 

Page 15
The Chapter 11 bargain basement Battered British stocks

Worst U.S., emerging market, U.K. funds Performance data over four years Shorting losers to win

search director at Ned Davis Research: Doo't even bother trying. He believes that calling the turns is a thankless and unprofitable undertak-

safer to go in the direction of the trend."

"Low-priced stocks do go down more in a

ecypher said. "That's common sense and that's what we've found." Actually, the time to bottom-fish may be

during periods of market strength. Standard & Poor's compiles an index of low-priced stocks and one of high-grade companies. During ris-ing markets the low-price index tends to pull away from the high-grade and come back down in a slumping market.

Since then the low-price index has risen at a

calamity, there are always cheap stocks to look

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says, "We like auto stocks or airline stocks," or whatever, and they move very quickly. . . . Our system doesn't always pick them up. Some advice from Lance Stonecypher, re-

Our philosophy around here is to take a trend-sensitive approach," he explained. We'll wait for the trend to turn up before recommending a buy. We believe it's much

What about when the overall trend is lower? Are depressed stocks so low that they are mune from further loss in a declining mar-

bear market" than the average stock, Mr. Ston-

The two indexes were last equal in 1974, during the last major bear market bottom.

much steeper curve and now stands well over three times the level of its higher-quality counterpart. One reason for this could be the selection criteria. If a low-priced stock does well, its price isn't low anymore and it is replaced by a cheaper issue. Another possibility is that lowpriced companies may oot be down-on-their-luck behemoths but just smaller, younger companies, which tend to outperform bigger ones,

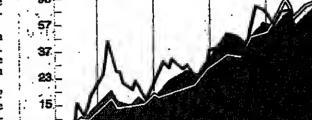
Stephen Leeb, editor of the value-oriented newsletter Personal Finance, has a more benevolent, but still lukewarm, attitude toward depressed issues: "Our general view is come what may in the stock market, barring a real

In a major earthquake no one does well, he



Searching High and Low for Good Buys

Monthly data from Supt. 90, 1941 to Jan. 31, 1994, log scule



said, but bittle tremors may uncover opportunities worth pursuing.

To evaluate the market's genuine stinkers in the hope of ferreting one out that's primed for resurrection requires case-by-case study, he said. "The current market is not a factor. Those stocks are going to follow the fundamentals of the company; they're not market dependent."

The problem is most of the time, the fundamentals are lonsy. That's why they're so cheap, and it's why Mr. Leeb believes "it's best to stay with big-cap stocks, not the ones that are totally out of favor."

He looks for companies that have fallen upon hard times bot still are basically sound. It is this variety, he said, that can better weather a strong decline in the averages.

We could be looking at a correction of 10, 15, 20 percent," he said, "but some stocks have already had their correction. I wouldn't be buying aggressively, but there are some stocks Among these are NationsBank, Bancorp

Hawaii, Bristol-Myers Squibb and Philip Mor-"These are stocks that never really participated in the bull market but have good fundamentals," Mr. Leeb said, including high dividend yields and strong sales growth.

Bernadette Murphy, a technical analyst at M. Kimmelman & Co., agrees with the trend followers and encourages sticking with what has been doing best. The only depressed issues she will consider are members of the best industry groups after their prices have correct-

"If you're bottom-fishing in the leadership that's in the stock market. I think you're okay, buying the best group when it's low in price," she said. An example she gave is aluminum companies. Shares in the leading manufacturers fell 2 to 4 percent during the market break last week, but by late this week they had recouped their losses and then some.

"I really think that you want to stay with thetrue leadership of the market because that's where the emphasis is, there's usually good reason for that leadership," Mrs. Murphy advised. "The leadership is clearly defined and I think it will persist. It's better to buy that than bottom-fishing the leadership of the 1980s." During that decade, the market was led

higher by consumer businesses, such as foods. drugs and tobaccos, all of which have been in a 2.27

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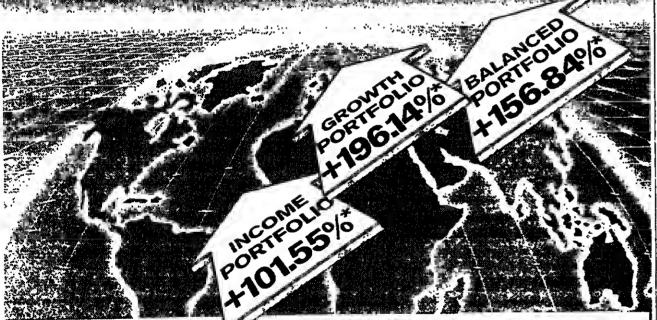
What also has changed from the 1980s is the age and strength of the bull market. When it was in its prime, a good strategy was to pick the worst of a high-flying group and wait for it to

"That type of approach worked in the '80s, but in the '90s it's more stock selection," Mrs. Murphy said. If a group was strong, you could buy any of the stocks. That doesn't apply today."

But she said it might apply after stocks have had a severe decline and a new bull is taking off, something not in prospect for the time being: "I would think that at this juncture, with a selloff taking place, it's a buy-the-dip type of market. The low-priced stocks are not the place to be, out of favor is not the place to be. At some point it will be, but not now."

The Money Report is edited by Martin Baker

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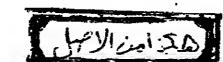
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### THE MONEY REPORT

### 'Distressed' Firms Entice Some Intrepid Investors

By Judith Rehak

N recent weeks, the American financial community has been witnessing the spectacle of a autital fund management company playing a high-stakes role in a take-over bid for R.H. Macy & Co., the bankrupt department store empire. The publicly held Fidelity Capital & Income fund holds a \$140 million stake in the bank debt of Macy's, and other Fidelity funds hold smaller amounts. That makes the giant money manager one of Macy's biggest creditors, and most likely gives it a say in who will acquire the company, and for how much.

The Macy's affair has thrown the spotlight on the concept of investing in "distressed," or bankrupt, companies. This risky arena is also attracting attention because of its low correlation with the broad stock and bond markets.

Many investors are feeling jittery about both.

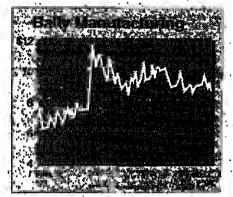
One way to play the distressed investing game is to buy shares in companies that are undiscovered because they have recently emerged from Chapter II of the U.S. Bankrupt-cy Code. (Under Chapter II, a company stays in business, but can legally hold off its creditions while it is working to regain solvency.)

while it is working to regain solvency.)

"When a company has recently emerged, very few analysts follow it, so it doesn't trade at fair value. Its equity base isn't big enough to be on the radar screens of the big funds," said Jack. Hersch, head of research at M.J. Whitman I.P. a New York from that specializes in distressed securities. He cited U.S. Gypsim, a company that started trading in the low teens when it came out of bankruptcy last spring. "As people caught on that it was repaired, and would be the beneficiary of economic upturn, it tripled to the low 30s."

Mr. Hersch is currently recommending two nther companies that were in Chapter 11, but are, in his view, on the comeback trail. Hills Department Stores, a retailer, is selling at \$21 a share, and he believes it could go as high as \$30 in the next year. He also likes Envirodyoe, a company that makes casings for sausages and plastic curilery.

"Remember these are businesses that have always done well," he emphasizes. "Their problem was that their capital structures were poor, meaning they had too much debt, Now they've



restructured, converting debt into equity, giving their companies a much healthier struc-

To be sure, plenty can go wrong with recovering companies. Even after reorganizing they may still have too much debt on their balance sheets, leaving little room for error. One short-lived revival was Memorex-Telex, a computer campany which emerged from bankruptcy in 1992, only to fall back into financial difficulties. Its stock plummeted to 3 cents a share from 75 cents; and it is heading into bankruptcy for a second time.

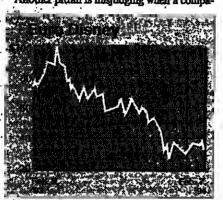
But just wining out debt may not be enough, warns David Millison, director of research at Dabney/Resnick, a Beverly Hills, California, firm that deals in equity and debt of over-leveraged companies.

"You have to be sure the operations are working that produce earnings," he said. "Or maybe the management team that led it into difficulty is still running the new company."

He noted some skepticism in the financial community about one of his favorites, Mesa Capital, in part because of its chief executive, T.

community about one of his favorites, Mesa Capital, in part because of its chief executive, T. Boone Pickens. The controversial executive overloaded the oil and gas exploration group with debt during an acquisitions binge in the mid-80s, and he is still very much in charge.

Another pitfall is misjudging when a compa-



ny will emerge from bankruptcy and pay off its creditors.

"We'll buy bonds of a distressed company that are high in the pecking order for repayment, but the real question is not if they'll pay, but how long the bankruptcy will take," said Charles Carlson, portfulin manager fur Greenspring Fund. He cited Columbia Gas Systems, a natural-gas distributor that filed for bankruptcy in 1991.

"The consensus was that it would be out by now," he said, "but it's taking much longer than anticipated." As a result, Mr. Carlson reckons investors who counted on a 20 percent return on the bonds will have to settle for an annualized return of about 10 to 11 percent.

David Dreman, who runs the Dreman High-Return Fund, liked the prospects for Columbia Gas so much that he loaded up on 2 million shares, about 5 percent of those outstanding in 1991.

1991.

"I think there is only a 50-50 chance that it will emerge from bankruptcy in 1994," he said. The stock, which he bought at an average price

### Hills Dept Stores

of \$17, has recovered to around \$25. "It should trade in the mid-30s in two years," he said. Some companies manage to work out their financial difficulties without filing under Chapter 11. One such group is Bally Manufacturing.

which owns casinos and health clubs.

"A smart manager came in and cleaned house," said Mr. Millison. "They've gone through several years of tough times, but their debt rating has just been raised by Standard & Poor's." Trading at about \$9 a share currently, he had to research.

he has targeted a price of \$17 this year.

The Baily story, he said, underscores another aspect of distressed-company investing: "It doesn't happen overnight. We've been looking at it for three years."

For some of the professionals, the next great frontier is Europe, even though its market for investing in distressed companies is still in its infancy. For one thing, there are fewer public companies in trouble in Europe. But more important, said Mr. Hersch, "people in Europe are still uncomfortable with the taint of insolvency, let alone hankruptcy. He pointed to the near-collapse in December of Metallgesellschaft, the German metals and industrial conglomerate.

"In the U.S.," he said, "that would have been a bankruptcy. Instead, they're adding more

a bankruptcy. Instead, they're adding more apital."

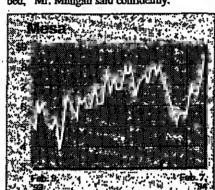
The melodrama of Euro Disney, the finanially beleagured theme park, has also attracted

The melodrama of Euro Disney, the imancially beleagured theme park, has also attracted global attention. One of the company's creditors, Midland Bank, has unloaded \$22 million of its Euro Disney debt for 60 percent of its original value. Some other deals have reportedly been made, and American investors are clamoring for more.

But those investors are big institutional play-

ers. The common stock of Euro Disney is deemed worthless by American observers, who warn it will be some time before the story plays out. So for now, individual investors who want to dabble in this arcane and risky marketplace will have to turn to the United States.

"There's always a company falling out of bed," Mr. Milligan said confidently.



### Buy Cheap and Sell High: Cool Investors' Options

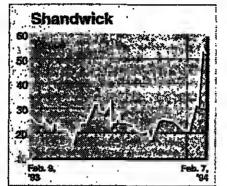
By Rupert Bruce

HE theory of "recovery investing" has been well tried and tested in the British stock market. Whether it holds good or not is open to argument, but many investors follow it. So what is

In short, the theory of recovery investing says that many investors lose their objectivity when a company gets into trouble and just sell almost without regard to what the investment is worth. This means there is often value for the cool-headed and discerning.

Shandwick PLC, a British-based international public relations group, has recently underlined this point. Its fortunes sank fast during the recession in Britain and the United States as its clients decided to cut hack on public relations. Last September its shares languished at 3 pence (about 5 cents) apiece.

By the beginning of this year they were up to 22 pence and this week they were trading in the



mid-50s. Results for the year ended Oct. 31, released Jan. 25, showed operating income, mainly from public relations fees, up £8 million to £101.2 million. Just as important, the group disclosed that it had newly extended three-year banking facilities, showing that its banks had confidence.

Suddenly investors realized that Shandwick
—which has a negative net worth —had "high
operational gearing" (financial jargon that
means that most of the money the company
takes in ends up as profit) and might be able to
avoid a much-feared rights issue, if it so
wished. After a week of frenetic buying, the
shares were up in the mid-50s and Julian
Treger and Bryan Myerson's U.K. Active Value Fund, a well-known recovery investor, was
revealed as having acquired a 3 percent stake.

A case of longer-term success for recovery investing in Britain is provided by the M&G Group, a British investment manager. It founded the £1.3 hillion M&G Recovery Fund, a U.K. open-ended mutual fund, in 1969. It has been spectacularly successful and handsomely

outperformed the FT All-Share Index, the yardstick for the British stock market.

The M&G Recovery Fund is up 5,840 percent since its inception (7,452 percent when measured in dollars), while the FT All-Share Index is only up 1,059 percent 1,544 percent in dullars).

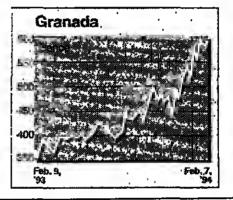
Richard Highes, the fund's manager, said, "Companies will from time to nime, for general economic reasons or more specific company reasons, get into trouble where the numbers of the outlook does not look great and many shareholders become sellers of the stock."

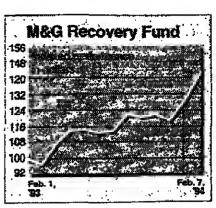
"Our view of these problems," he said, "is that some of them can be solved either by change of management or an injection of capital, or sometimes both, and if you are willing to take a long-term view when they emerge on the other side the people who were unwilling to hold them when there were problems become buyers of the stock and they become miracle stocks and they suddenly zoom up."

Mr. Hughes was at his busiest in the darkest days of Britain's recession. But since the pound left the European exchange-rate mechanism in September 1992, he has not been buying so many troubled companies. Instead, he has been watching those he bought recover.

The fund always tends to perform spectacularly well when the British economy is leaving recession, as its holdings recover, but badly just before and during recession. During the last recession, the fund fell 18.1 percent (36 percent in dollars) between January 1929 and August 1992. Since then, however, it has risen more than 80 percent, (although only about 40 percent in dollars because the pound has depreciated against the dollar).

Among its biggest successes is Granada. Mr. Hughes bought the shares in May 1991 at 145 pence; last week they were about 570 pence. When Mr. Hughes bought his shares in a rescue rights issue, things did not look good. The leisure group had just sold its bingo husiness to Bass, and Roger Lewis, the chief executive, had just left. The merit of taking a portfolio approach to recovery investing — and spreading the risk — is shown by M&G's failures.





It invested in Lowndes Queensway, the carpet company, and Davies & Newman, the nwner of Dan Air. Both turned out to be victims of the recession. Even though the recession is over, however, there are still some recovery stocks.

Michael Beggs, manager of the Guinness Flight Recovery Trust, believes there is still recovery potential in some of the building stocks even though many have already performed exceptionally well since their low point in the summer of 1992 when some of them seemed bound to go under. Banner Homes, for example, is already up about 10 times from its lowest point, but could do the same again, he

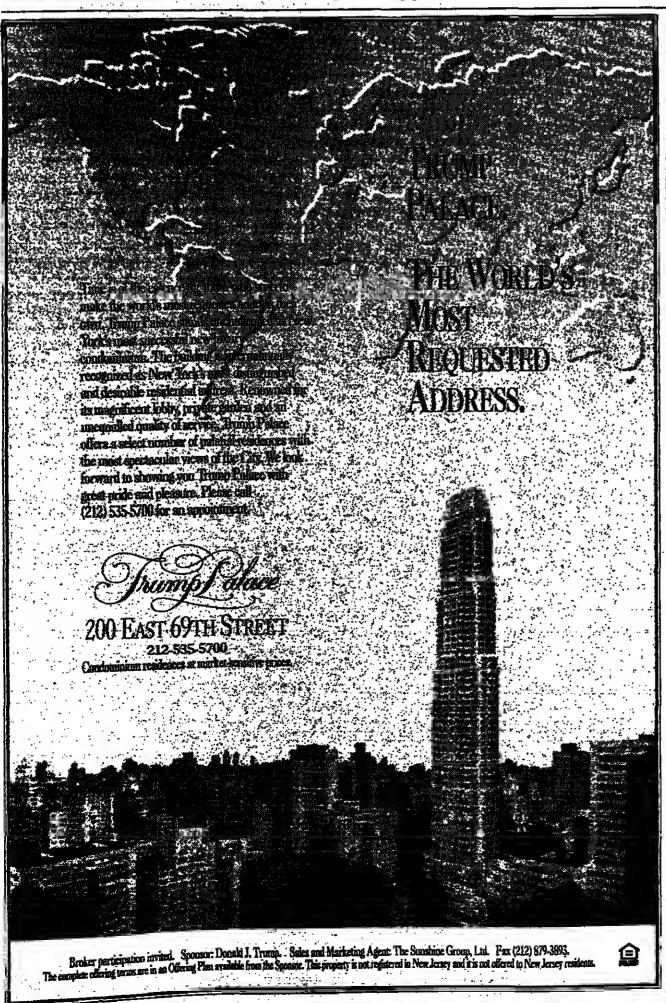


In addition to the British recovery funds, a breed of hedge fund is looking at what it dubbs "distressed" securities in Europe. This hreed invests in any class of security in a troubled company — often one involved in a restructuring. It may buy hank deht, bonds, or shares, according to its view of where there is value to be found.

Perhaps the best-known of these — thanks to its central role in restructuring Greycoat, the British property company, is U.K. Active Value Fund. This, however, is closed to new money. An example of a group that runs funds using distressed securities strategies alongside special situations strategies like arbitrage and speculating no the outcome of takeovers is London and Bermuda-based Everest Capital.

London and Bermuda-based Everest Capital.

Alternatively, nffshore investors can access recovery-type management through the Dublin-hased Scottish Value Portfulio, run by Colin McLean's Scottish Value Management. It incorporates recovery investing in its value-based style. The minimum investment for the fund is £10,000.



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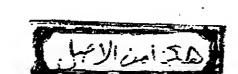
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### THE MONEY REPORT

### The Worst Funds: Some Folks Just Can't Stay Away

By Michael D. McNickle

O things really get better because they can't get any worse? The answer is a resounding maybe. For verification, ask investors in the worst-performing funds over the past decade, many of whom have seen very bad turn to worse, and then turn to even worse.

Take, for instance, the Steadman American Industry fund, based in Washington. "Arguably the worst fund covered by Morningstar" an analyst wrote last year, referring to the Morningstar mutual-fund rat-INE SCIVICE.

A Morningstar rating sheet for the year ended Dec. 31 ranked four Steadman funds among the 10 lowest-performing funds of the last decade, with the worst, Steadman Oceanographic Technology & Growth, during which the value of the fund shrank an average 9.34 annually during the 10 year. (Oceanographic has changed its name to Steadman Technology & Growth fund).

Two of the funds also made the five-year lowest-performance rating with second place boasting a loss of 6.59 percent and sixth place a 3.99 percent loss.

All of this might lead one to ask why the fund is still around. Published reports note that the U.S. Securities and Exchange Commission at one time even barred one of the funds from accepting new money. The funds also gained the attention of state securities authorities which resulted in cease-and-desist orders proscribing the sale of the fund in a number of states.

A decision last year by the U.S. appellate court in Washington, overturned the SEC action clearing the way for the fund to accept new money. And Charles Steadman, the chairman and president, noted that the funds have made some major changes. He said that the Steadman Associated fund, for example, was up 35 percent for the fiscal year. ended Sept. 30 and is "now moving in a respectable pattern." Moreover, Mr. Steadman said, the firm had implemented changes in the way it selected and retained shares. He notes that the funds now have a "more evenly weighted" portfolio for the most part, whereas therewere beavier positions taken in past years, "so we've changed that, and the results have begun to improve."

Mr. Steadman also said that in addition to improving their "selection process" the firm will drop an investment "more quickly" than inyears past if appropriate. Tread carefully. In recent years the fund's expenses have been nearly 7 percent, according to published re-ports. And while the Steadman funds cut a high-profile figure in the eyes of fund watchers, alas they were not alone.

So the bulk of the evidence suggests that poor performers often "They just don't check."

stay that way. But that is not al-ways the case. Investment returns to the end of last year provide a good example. Nearly a third of the worst performers over 10 years, and at least 40 percent of the worst funds over five years, lost money. The funds were mostly invested in gold, silver or varied mining stocks. Since then, these sectors have picked up spectacularly.

Lexington Strategic Investors of New Jersey was ranked third among the 10-year losers with a

A leading mutual fund rating service indentified Steadman American Industry fund as 'arguably the worst fund covered by Morningstar.'

shrinkage of 7.58 percent, but over the year ended Dec. 31 reported the highest return with an astounding 264.94 percent. A half dozen funds invested in precious metals moved off of the lowest-performing fiveand 10-year rankings between the end of the third quarter and the end of the fourth.

Michael J. Corbett, senior analyst with the Mutual Fund Letter in Chicago, notes that these funds may be poised for a run. "Gold in general," he said, "has been in about a 13 year bear market and so all the gold related funds have done poorly — terribly in the last three, five-, 10-year period. But what you have to look at is what they're do-MR DOW.

Meanwhile, funds weighted in other segments may carry poor long-term ratings as a result of performers, has been doing remarkably well under Heiko Thieme who took over a few years ago. American Heritage took second place in the highest performers in the three-year ratings, with an average total return of 48.94 a year. So how do you avoid the less

promising funds? Mr. Corbett says that investors should resist the temptation to pick a fund based solely on total return. "We're a big proponent of looking at sectors of the market, as opposed to looking at one particular fund." He suggests people will find more meaningful rannes by checking the performance of a segment, and then comparing the fund's performance against its peers.

The big mystery is why investors continually buy into some of the worst funds.

Mr. Corbett bas an answer:

### **Going Bottom Up?**

Worst performing mutual funds and their subsequent performance. Value of \$100, income reinvested, excluding charges.

Worst Performers in 1990	To Dec. 31, 93	To Dec. 31, 92	To Dec. 31, 91	To Dec. 31, '90
Formosa Fund	71.90	80.11	104.39	58.15
Sanyo: Sector Index: Real Estate	49.28	69.30	108.01	57.62
Lexington Strategic Inv	67.85	39.29	81.07	57.61
Shin-wako: Index Open: PubServe		73.35	108.42	56.95
Darwa: Target Index: Stel/Shipog	41.74	81.41	96.51	56.84
Daiwa: Target Index: Util/Transp	57.78	73.76	108.09	56.76
Pacific Nies Fund	98.45	90.30	103.57	56.35
Nikko: Sector: Real Estate/Rail	58.66	74.14	114.07	<b>56.2</b> 8
Technology & Growth	62.78	94.72	127.93	56.20
IFDC Japan	41.36	76.85	91.84	54.32
Daiwa: Target Index: Real Estate	51.36	73.49	108.22	<b>53</b> .13
Taipei Fund Nav	73.92	91.30	116.70	51.26
Worst Performers in 1991	Fo Dec. 31, '93	To Dec. 31, '92	To Dec. 31, '91	~ "
Callander Fd (Aust): (Ats) (m)	78.04	75.55	76.74	( 7)
Actigestion	48.44	96.73	76.65	/ Y 1 /:"
Fidelity Select-Energy Ser	95.73	103.43	76.52	) )   / "
JF Indonesia	181.54	110.20	75.38	"> 1711
Wardley European Warrant	196.22	117.44	73.88	
MGM Special Situations Growth	62.99	87.35	72.79	ノクレ
Dao Heng Asia	168.97	103.17	72.41	
Lloyds IP Warrant	79.58	60.91	70.00	
Danubla-Invest	97.53	80.24	68.71	Y/ A
Invesco Europeen Warrant	150. <b>00</b>	83.04	68.40	るノー
Sirius 6	56.84	77.61	67.36	
Gaia Currency Hedge III	20.32	75.81	65.98	/ XX
Worst Performers in 1992	Fo Dec. 31, '93	To Dec. 31, 92		
OMI Insur Italian Equity	60.85	61.24	12.00	O' AVAN
loyds lp Warrant	113.69	60.91		7 2 2
CMI Gnf Irish Equity	76.09	60.75	6 CAY/	1 12/21.11
CIBC-CEF Spanish	83.41	59.76		ロノドスグ
GT Berry Japan B	84.24	59.23		
ST Berry Japan A	83.68	59.22		- The state of the
HK Asian Warrant	209.17	58.72		
MWI-Oswa-Fonds	79.27	57.44		MIE 33
(+W Universal-Fonds Os	59.68	55.68	1.X 6	7 M
F Japan Warrants	75.10	52.70	12 \xs.Y	100
Safit	112.63	50.06	// (2	<b>1</b>
Inited Serv Gold Shares	110.10	49.17	732	A JUNTO
Worst Performers in 1993	To Dec. 31, 193	10-	Y Y	1
enn Cap Asset Allocation	84.57	-1:05	7	
nigma Currency	84.50	10000000000000000000000000000000000000		
Ecu Terminvest Currency	84.33	MAIN CONTRACTOR	2°/	1 1 1 1 X
Cestrei Limited Dilr Shs	84.25	THE REAL PROPERTY OF	df -	11.1
Slotechnology Venture Fund	84.03	CAP-PROPERTY	Q L	
Cestrel Limited Stig Shs	83.97	-	9 6	
Nester Cinited Sug Sits	93.37	The Contract of the Contract o	100	A TOTAL STATE OF THE STATE OF T

### BRIEFCAS

### Retirement Saving:

### **Best of Intentions** A survey done for the mammoth The London International Fi-

fund company Fidelity Invest- nancial Futures and Options Exments reveals one interesting as- change said it will begin listing fupect of the way Americans save for tures contracts on the Financial retirement: They don't do what Times-Stock Exchange 250, an inthey say they're going to.

to cut their outlays during 1993 in Feb. 25. each of six categories of discretionary spending: dining out, leisure advantage of the strong and persisactivities, clothing, gift-giving, energy consumption and holidays. FT-250 has risen close to 50 per-Each category drew a "yes" from cent since the start of 1993, just more than half of the respondents, about twice the gain of the benchwith a range of 53 percent to 72 mark FT-100. Trading volume in percent. When poll takers followed FT-100 futures was up 19 percent up, they found the percentage that last year over 1992, a LIFFE stateactually cut back ranged from 19 to ment noted.

The latest sample taken in the poll shows perhaps a touch more introspection among respondents. They plan to cut their discretionary spending this year by \$2,985 on average, down from the \$4,158 that last year's better-intentioned but less self-aware participants said they could do without. Last year 74 it is 54 percent.

Nearly two-thirds of respondents said they contributed the same or less to retirement last year than the year before, no matter where the money came from. One reason people may not be as willing to tighten their belts is that they feel fatter. Stocks and bonds had a good year, and so their savings probably went up enough all by themselves, without having to add more. Still, the survey showed that more than half had accumulated less than \$30,000 toward retire-

### U.K. Market to List A New Stock Index

dex of the 250 largest publicly trad-A year ago, poll participants ed British companies after those in were asked whether they planned the FT-100. Trading is due to begin

> The listing is an attempt to take tent demand for British stocks. The

The exchange, which said it had spent more than a year researching the viability of such a derivative, is following the lead of the Chicago Mercantile Exchange, which lists futures on the Standard & Poor's Midcap index, a rough American equivalent of the FT-250.

Companies in the FT-250 have percent said they were willing to an average market capitalization of make some spending cuts; this year £600 million (\$900 million). Those in the FT-100 have an average market capitalization of £5 billion.

The new contract will trade on the March, June, September, December cycle. Its value will be £10 for every index point, with a minimum price movement of half a point. Trading hours will be 8:35 A.M. until 4:10 P.M. London time.

### **Mortgage Securities** Are Still Appealing

The rise in U.S. interest rates has seen mortgage securities gain on Fidelity, of course, would be U.S. Treasurys since the start of the more than happy to show anyone week. The timing may no longer be who walks through the door how to perfect, but buying early into a increase that figure. But the public mortgage securities fund could still may not oblige. Eighty percent of be profitable, argues the U.S. fund respondents said they planned to manager Scudder, which points out meet some of their needs in retire- that it in fact was calling an end to ment the old-fashioned way - by the hull run in refinancings, contrary to our report of last week.

### American Heritage, ranked seventh on Morningstar's 10-year lowest on Morningstar's 10-year low

By Aline Sullivan

**Pilgrim Corp Utilities** 

**Govett Dir Geared Currency** 

**Beckman Options & Warrants** 

CIBC-CEF French

**C&C Multi Invest IV** 

AlB Property

ISHERMEN have long been aware that many of the fish most prized by restaurants, including Dover sole and turbot, lunk on the sea-bed. Much more recently fund the wealth that can be trawled from "bottom-fishing."

The principle of bottom-fishing in the financial markets is simple. Unlike fish, stocks that have sunk to the bottom of the market have an inbuilt tendency to rise again, either because they are caught up in the upswing of a business cycle or because investors have recognized that they are undervalued. Investors can capitalize on this tendency by putting money into the year's worst-performing funds.

tive at fund managers James Capel in Edinburgh, said investors are looking at bottom-fishing as part of a general trend away from active fund management. The rationale is that the cheapest funds are the most attractive: If the price of those funds rises above a certain point, the investor will sell autostically and myest derperformers. We are setting up indexes for

82.32

77.82

77,70

77.45

77.40

individual funds to track and ones that we can use for a number of funds," said Mr. Tupper. "These mean that clients are trading less and paying smaller commission charges. The constituents of thesefrequently with no better perfor-

Adrian Tupper, a senior execu- larly popular with investors in gree of diversification than with

emerging markets. "There is statistical evidence that if an emerging market goes up one year, it will go down the next," said Murray Davey, head of European equities at that have gone up and put money in the have gone up and down "said when the have gone up and put the ha Kleinwort Benson Investment Management in London. That is Mr. Davey. The index provides relbecause people get carried away atively little exposure in larger marwith emerging markets, too enthu- kets like Mexico and Malaysia, and depressed about the downsides. The fundamentals get exaggerat-

Mr. Davey has devised a benchmark index that he claims is unique. The index weights the 20 emerging stock markets targeted by the Kleinwort Benson Emerging Market Fund so that no market indexes may change only once a Market Fund so that no market quarter. A lot of fund managers accounts for more than 10 percent would change positions much more of the whole. Each year, the index is reweighted so that the exposure renance." mains equally divided. The wide spread allows a much greater de-

in those that have gone down,"said dia and Turkey. Followers of this index will miss

out on some of the booms in the big markets, said Mr. Davey, but generally experience better returns that investors following more traditional methods. Bottom-fishing can also be effec-

tive in developed markets where past success can sometimes presage future failure. Peter Warrington of WM Co., an Edinburgh-based fund monitoring firm, said that in a recent study by his firm of 299 British funds fewer than 40 percent remained in the bottom quartile over a two-year period, 9 percent over three years and 4 percent over four

The same trend operates in reverse. "If a fund has been set a top

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cline rapidly. Not everyone is enthusiastic

about bottom-tish markets. "It is very tempting to buy funds that have performed badly and take profits in those that are doing well," said Keith Falconer, senior investment manager at Martin Currie in Edinburgh. "But investors have to make sure that the funds haven't gone down for good reasons. Bottom-fishing should be

probabilities of an individual fund most recent performance. "The maintaining top quartile status de- whole theory is a bit presumptuous, "he said.

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### Short-Sellers' Puzzle: Not Whether, but Which?

By Conrad de Acolle

NE thing that may be more difficult than figuring out when and when and what to sell. Worse still may be selling short, the practice of borrowing shares, selling them and then hoping their price will fall be-fore they must be bought back in the open market and returned to As the American stock market

ugers at valuation levels judged to be excessive if not psychotic, ever more investment newsletters are advocating selling short. In one aspect, this is refreshing. Stockbro-ters, the source of much, if not most, advice for retail investors, almost never recommend shorting a stock; they seldom encourage anything but buying As well intentioned as newsletter

writers may be, however, they do not do an especially good job in their short sale suggestions. A study by the Hulbert Financial Digest, a newsletter that follows the progress of other newsletters, found that subscribers would have done slightly better making random short sales than following the letters' short sale picks.

The digest's editor, Mark Hulbert, examined short sale recommendations made in each of the five years through 1993 by eight

newsletters that regularly issue them. He eliminated stocks selling for less than \$5, as brokers often don't allow chents to short them. That left a database of 1,126 recommendations that he assumed were held for the full calendar year in which they appeared.

The average short sale candidate outperformed the broad-based Wilshire 5,000 index by 0.3 percent — or underperformed by that much from a short seller's perspective. That could add up to quite a large absolute loss, because the Wilshire was up in every one of the five years but one.

Although the group's performance was mediocre, Mr. Hulbert

notes there were standouts, good and bad. This overall average masks a wide variation in individual newsletter performances. Five of the eight in our subset did better with their shorts than they would have by shorting the market itself." As good as any investment adviser is, it's tough to forecast losers when there are so many more win-ners out there to be picked, which has been the case for most of the

"Until you have the bear trend going with you, it's difficult to short successfully," advised Bernadette Murphy, a technical analyst elman & Co. "Short sellers in most cases are eventually correct, but it can be a very ex-

son that James Stack, editor of InvesTech Market Analyst, has not recommended short sales is that his subscribers, who average 54 years of age, are a risk-averse lot.

"It's not that there aren't profits to be made selling short, but they're investing their retirement money," he said. "Emotionally it can be much more demanding than owning stocks on the long side for several reasons: You are taking what Wall Street commonly views as a negative outlook. The other factor is that in short selling you can lose all of your money and more, although in reality short selling can be done in a relatively prudent manner.

What makes short selling especially risky now, aside from the market going the wrong way, is the fine-tuning of the maneuver known as short squeezing, which turns on the fact that shares must be borrowed to sell short. "Short sellers have become a target for some traders," Miss Mur-

phy observed. "It started a few

years ago. People started tracking what stocks people were shorting

how big the positions were, how many days it took to cover." When those numbers are high, it means there will be considerable upward pressure on the price when hansting experience, especially the shares are bought back. To try

thinly traded issues, the shorts may find that there are not enough shares around to borrow and so takes a long time to turn momen-will have to close out their posi-

"You can't short a stock unless to borrow. When the squeeze comes on, it's harder and harder to get out." Because of large institutional holdings, she said, "ganging up on short sellers is much easier. "As a result, the performance of

soneeze. "Short sellers are usually they are wrong, it's that other people have targeted them."

marked. Trying to explain the poor performance of his colleagues, he said: "It's probably because people have a tendency to try to sell stocks that have been doing very well, and that's usually the wrong kind of stock to sell. In reality they should be selling on the technical versus very different situation."

when fighting a major built trend to force the issue, groups with lots the fundamental side, selling a when investor confidence is high." of money to spend will buy up stock that has shown technical Exhausting and risky. One reason to shares, pushing the price higher. In weakness, Newsletter writers are weakness. Newsletter writers are looking for overvalued stocks, the ones that have good momentum. It

Mr. Fliades, whose strength is market timing, conceded that he is you can borrow it," Mrs. Murphy not the greatest at selecting individual. "If a stock is locked up by ual stocks, either to buy or sell, and institutions, it's harder and harder generally confines his picks to mumal funds. Timing is the essential element in short selling, Mr. Stack believes,

and it is where most investment advisers go astray. "It's not that "As a result, the performance of they're bad pickers as short sellers, short sellers in 1993 was not good." it's that most newsletters are wrong She added that the quality of the at critical turning points," he said companies being shorted — and of "They don't recommend short sales the people doing the shorting — is ontil stocks have already locked almost beside the point in a short onto a downtrend." He sees such a downtrend looming and, despite very good analysts. It's not that having avoided short selling so far, may soon decide to take the plunge before the market does the same.

"We have looked at it probably Many short sellers may be good fundamental analysts, but their more intensely than we have in the prowess as market technicians is past, especially in the last few suspect, Peter Eliades, editor of the months," he said. "It's probably Stock Market Cycles newsletter, re- premature to say we will not recommend them. The reason we have not in the past is we have not dropped into what I would call a major bear market. We did not have the ingredients for a bear market that will take the averages down 40 percent. Today I think we have a



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### Knocking on Norway's Door: Olympic Hosts Invite the Strangers In

By Ian Thomsen

of his brown hair were rising up in the back and the rest was flattened to his skull. This, to the hundreds of people in the audience and the millions who would hear or read of this meeting, made Vegard Ulvang seem immediately sincere. He greeted the world like someone answering a doorbell.

Come in, have a seat, we will have a

red face identified him as the most popular representative of Norway, a cross- anachronism. country skier with a fighter's chance of adding to the three gold medals he won on television earlier this week. He called in Albertville in 1992. At the same time, the IOC undemocratic and said it was

LILLEHAMMER Norway - Tufts applicase. He would respect the traditions of his visitors for the next 16 days, be made clear, but they should respect his opinions as well.

The visitors are the 17th Winter Olympic Games, beginning Saturday. He -Norway - had invited them in without thinking to brush his hair.

The International Olympic Committee realized its hosts were atypically in-dependent when a national poll recently He hunched forward in his chair, as suggested that only 6 percent of Norwehosts do when giving full attention to gians like the IOC president, Juan Anto-their guests. The spotlight on his smooth, nio Samaranch. They perceive the IOC as self-appointed royalty, a greedy

his charisma showed that he is more than "had and perhaps not worthy of sport" seemed like a personal attack. "In the an actor for their cameras, an object for that it be ruled by Samaranch, a former interview," the statement said, "I emofficial in the fascist Spanish government of General Francisco Franco. He said it as if talking about house guests, the kind who refuse to do their

share of the dishes.

There have since been reports that some IOC members wished to punish Ulvang by preventing him taking the Olympic oath at the opening ceremony on behalf of the 2,000 athletes. In fact, Samaranch has been trying to trim the IOC of some of its extravagances, but has been blocked by the membership. If this continues, the IOC will become as

popular as the U.S. Congress. It is not something for them to strive for. Samaranch and Ulvang met Thursday, and in a written statement the skier, expressed regret if his statements

phasized that Mr. Samaranch must primarily be regarded for his achievements

today."

Ulvang also called for a more democratic election system in the IOC, expressed concern about the gap between fOC members and the athletes responsible for the members' high life, and invited Samaranch and his associates to meet the athletes for a meal in their village to discuss the Olympic movement.

"In Norway, we are used to top leaders of sport having a meeting with athletes." Ulvang said Friday at a press conference. Did Samaranch accept the invitation?

"Accept? f think, I think." Ulvang

begun, it seemed as if they would intro-duce a new attitude to "The Movement." By awarding the Games to their most . It is the sport through which Norway northern site ever - 2 small town where will introduce itself to the world. The the people shop on sleds - the IOC was facilities are fresh and beautiful whether hoping to renew its innocence in some they have been crafted from wood to tangible way. Instead, it has come resemble an overtuined Viking ship or

not used to visitors. The Norwegians are as gracious as anyone in the world, but it is their selfreliance that allows them to survive the cold winters of total darkness. They will listen to Samaranch, they will hear him out. But having had his say, he should

knocking and this is their home.

"It was a very, very friendly meeting The skier grew quiet. In his broken with him," Ulvang said, and he English he said. "I don't hope it affects shrugged. "I don't see any reason to my training."

comphasize any more about it." The rest Clearly, he had not anticipated this of his charments were devoted to skiing. knocking on the door of a country that is carved from the maide of a mounts but they are only buildings. It is when the cross-country races begin that tens of thousands of Norwegians will-come out of the forests and the entire country will

A writer from Baltimore asked Ulvang, cantiously, "Has the loss of your listen to them, as well, because - invita- brother affected your training and is it tion or not — he is the one who came true that after the Olympics you will go knocking and this is their home. back to look for him?"

seem to dance in the snow.

"It was a hig tragedy for me and my family," he added. Ketil Ulvang disappeared in October while jogging in their hometown in the north, and now his brother was shaking

"And we will miss him a lot." He was sobbing. "And it is true," he said, hiding his face, "I will return in the springrime, as soon as the snow is gone, to try to find

The news conference ended early, and a hourd of Norwegian reporters converged upon the American who had made their hero cry. . Why had he asked . that question? Had he been trying to

These are the risks, though, when you



Luc Alphand of France taking to the air en route to the fastest men's downhill practice time Friday.

### Weary USOC Calls Harding Case a 'Distraction'

Olympic Committee officials said Friday that the Tonya Harding saga had become an unwelcome burden, distracting attention from

"This whole matter has become a tragic aberration," said Paul George, head of the U.S. delegation in Hamar, Norway.

source of irritation for athletes.

Some senior U.S. Olympic officials even said that it might be less Harding to skate rather than to continue deliberating her status as a member of the U.S. team.

An Oregon judge was scheduled

cant momentum this week as a re- court order later Friday. sult of a request by the Olympic committee that she appear at a hearing Tuesday in Oslo to answer questions about her conduct surrounding the assault of Nancy Ker-

Compiled by Our Stoff From Disputches on Jan. 6 but has admitted she PORTLAND, Oregon — On the delayed in telling authorities after eve of the 1994 Winter Games, U.S. she learned who was involved.

On Thursday, USOC lawyers asked an Oregon court to dismiss a \$25 million lawsuit Harding filed Wednesday against the committee the competition and becoming a In her suit, the skater is seeking \$20 million in punitive damages and a block the USOC's Games Administrative Board from holding the hearing in Oslo next week on her Olympic eligibility. In addition to the \$20 million, the suit seeks undamaging to the Olympics to allow specified compensatory damages

member of the U.S. team. An Oregon judge was scheduled That attitude has gained signifi- to hear Harding's request for a

In Norway, U.S. Olympic offi-cials complained that events surrounding Harding were dominating public attention, almost to the exclusion of other athletes and oth-

er Olympic developments. Harding has denied any involvement in the plot to harm her rival committee executive director, said

cause a distraction." And members

tion," Schiller said. " This is not where the focus should be. The focus should be on our 100-plus athletes, who are here to be the best they can be. That's why they are here. That's why we are here."

It is that kind of sentiment that is apparently fueling a growing sense among some senior officials that the committee should discontinue the challenge to Harding's eligibility.

"It's an escalating distraction," said one Olympic committee lawyer involved in the case, who asked not to be identified. "I think it's a case of the tail beginning to wag the dog — the dog is the Olympic Games in Lillehammer — and to have this sideshow getting center stage, f think the answer may follow from that, ft's getting late. A decision has to be made."

gies for Friday's appearance in all members of the legal team have of his public retainers sum or the judge decides, us commonly American athletes in Norway. er the judge decides, us common including medal contenders, are belawyer said he and his colleagues had not necessarily concluded that opposing Harding's participation served the best interest of the U.S.

> "Even if we disagree with the judge's decision on Friday, how long can we carry this on?" he said. "It has to stop someplace."

Olympic efforts.

If the committee chooses to respond, it would probably file an appeal to the granting of a restraining order. But Schiller said lawyers were still reviewing other options, including the appealships the including the possibility they would respond to the request for the restraining order by attempting to move the case to a federal court.

The court in which the request. for a restraining order was filed lies in the county where Harding and dreds of her fans live, the nearest federal court with jurisdiction is in nearby Portland.

agreed on what to do next.

"Anything is possible," Schiller said. "I wouldn't rule out anything." Ultimately, the decision of how or whether to proceed would be made by the officers of the Olym-

entionally or otherwise, become

involved in the Harding story at The officers are also members of . the Games administrative board, which is scheduled to hear the

charges against Harding next week. If the panel were to proceed as planned, Schiller said the burden of proof would be the Olympic committee's, not Harding's, as the panel had initially contended. He said a letter clarifying the point was sent to Harding's lawyers Wednesday.

Schiller also said the committee would not call Harding's former husband, Jeff Gillooly, to appear to

(NYT, AP, Reuters, WP)

### Oslo Deports Abortion Protesters

The Associated Press

OSLO - Storms over Iceland delayed deportation Friday of 12 American anti-abortion activists who had allegedly planned to stage demonstrations during the Winter Olympics.

The police detained the activists Thursday when they arrived confiscated items from their luggage and ordered them out on the next available flight to the United States. That flight was delayed.

The 12 said earlier that they either supported or were members of various anti-abortion groups, including Operation Rescue, which have said they would stage demonstrations during the Olympics.

### Olympic Event and TV Schedules

Saturday's Events

Opening Commonles - 1500, ice Hockey - Philadel ice Hockey - Finland vs. Czech Re-public, 1100; Russia vs. Norway, 1730; Austria vs. Germany, 2000.

Saturday's TV EUROPE . All times are local - ORF: 1545-1845, 2000-2006, 2055-2330.

1500-1700, 2340-0025, . Bulgaria - BNT/Channel 1: 1700-1900; Channel 2: 2030-2130, 0030-

2330-2400. Humpary - MTV/Channel 1: 1100-Cyprus - CYBC: 1700-1900, 0030- 1130, 1450-1730, 2255-2355.

ich Republic - CTV: 1145-1800, 1130, 1355-1745, 1715-1745, 1825-Finland - TV1: 1245-1530, 2050-

Prance - FR3: 0930-1000, 2345- Li 0145; TF1: 1550-1805. Germany - ARD: 1145-1430, 1545-

0030-0100. ungary - MTV/Charmel 1: 2005-2020; Charnel 2: 1550-1800. Iceland - RUV: 1700-1845, 2315-Italy - RAIL: 1600-1800; RAIS: 1730-1800.

- LT: 1655-1900, 2330-2400. Listenbourg — CLT: Highlights on evening news, 1900-2000.

Macedonis — MIGHTY/Chennel 1: 1500-1700: 1725-2000; 2230-2300; Chennel 2: 1055-1330; 1955-2230.

Monace — TMC/IT: 1200-1430; 4500-4500, 4500-4500, 4500-4500, 4500 430-1600; 1600-1800; 0050-0245. Netherlands — NOS: 0830-2335. Norway — NRIC: 1130-2300. Poland — TVP/PR1: 1555-1800,

2205-2305: PR2: 0005-0135. TV2: 2300-2320; RTP1; nia - RTVR: 1700-1900, 0090-0100; Channel 2: 2030-2200. trucia - RTO: 1355-1630, 1755-Stovenie - STV/SK: 1555-1800. Stovenie - RTVSLO: 1530-1855.

Spain - 7 1200-2400. Sweden - SVT/Chennel 1: 1530-1800, 1930-2100; TV2 1825-1930. nd - TSR/TSI/DRS: 1600-

Turkey - TRT: 1700-1900, 0025-Ulcraine -0030-0100. - DTRU/UT1: 1700-1900, #90. ARRESON ASIA/PACIFIC ASIA/PACIFIC ASIA/PACIFIC rt - 1200-1430, 1600-con

 CCTV: 2300-0100. South Kores - KBS: 2350-0210; MBC: 2400-0130. **NORTH AMERICA** All times are EST -- CTV: 0900-1800.

States - CBS: 0600-1100,

Sunday's Events All times are GMT

Cross-Country Skiling - Women's 15-kitometer treestyle, 0900. Figure Skating - Pairs technical program, 1900. Ice Hockey - Sweden vs. Slovakia 1400; Italy vs. Canada, 1630; France vs. United States, 1900. - Men's Singles, First and Sec-

> Sunday's TV. EUROPE

All times are local Austria - ORF: 0600-0900, 0950-1300, 1300-1900, 1948-2010, 2246-- BBC2: 0910-1130, 1810is - BNT/Channel 1: 1100-

- HRT/HTV2: 1045-1230. 1455-1800, 2300-2330, 0030-0300. Cyprus — CYBC: 1715-1745, 2230-2300. Cauch Republic - CTV: 0915-1230, 1455-1730, 1945-2015,2310-2400; Ave.

Denmark - DR: 0950-1230, 1455-1730, 2145-2230, Estonia - ETV: 1056-1400, 1555-1800, 1915-1945, 2145-2330. - TV1: 1045-1410; TV2: Ritain - BBC: 1215-1715; BBC2: France - FR2: 1820-1925; FR3: - DBUL 1215-1715; BBC2: Prinnos - FR2: 1820-1825; FR3: 10,2340-0025. - BNT/Chennel 1: 1700-1925 - ARD: 0945-1900, 1445-1900, 1945-1900 - FR2: 1820-1825; FR3: 1045-1200, 1955-2230, 1945-1900-1925 - ART/TV2: 1500-1925, 0. Hormania - ART/TV2: 1500-1925 - ART/TV2:

1855, 2230-2300 2330-0030

- RAI2: 2415-0130; RAIS: 0955-- LT: 1055-1330, 1915-1945; 0030-0100. fruents -- LRTV: 1100-1230, 2130-

evening news, 1900-2000.

Macedonis — MiCFTV/Channel 1: 0855-1130, 0950-1215, 1355-1630, 1715-1745, 1755-1830, 2230-2300; 1855-2130. 1855-2135; Channel 3:

TMC/IT: 1000-1200, Monaco — (MC/)11 1730-1940, 2300-0100, MY - NRK: 0900-1800, 2000-2300, 2300-2340; TV2: 1845-1900. : Peland - TVP/PR2: 0950-1100,

1900-2000, 005-105; PRT: 1100-1230; 1605-1730, 2200-2300. ef - TV2: 2300-2320; RTP1: de - RTVR: 1150-1230, 1915-1945, 0030-0100. Russia - RTO: 1600-1645, 2200-2300, 0030-0230; RTR: 1150-1400, 2210-2240, 2330-0040, 8levalda — STV/SK: 0800-1250,

Slovenia - RTVSLO: 0935-1750. Spain - TVE2 Starting at 1200; RTVE 1000-2400. Sweden - SVT/TV2: 0945-1145; Charmel 1: 1145-1230; 1445-4730; Switzerland - TSI/TSR/DRS: 1000-1330; 1440-1615.

- DTRU/UT1: 1100-1245. 1815-1900, 0090-0100; LT2: 1915-1945, 2200-2400.

New Zeeland — TV1: 2130-2400. Japan — NHK: 2200-2400, 2400-0200

Hong Kong - TVB: 2400-0100. South Kores - KBS: 1240-1350; rysta - TV3: 2815-0015. om - SBC/Channel 12: 2400-

Ster TV — Sterling at 1800. NORTH AMERICA All times are EST ide - CTV: 0900-1760, 2100-All times are GMT 2380. States — CSS: 0900-1200, 1430-1800, 2000-2300, 2385-0085.

2100; 2315-2355. Bulgaria — BNT/Channel 1: 1200-1400, 1700-1740, 1915-1946; Channel 2; 20:55-2330, 0030-0100. Crostia: — HRT/HTV2: 1450-1710,

2230-0030

BEAT - - -

93

Cyprus .- CYBC: 1715-1745, 2230-Czech Republic — CTV/Channel 1:-0915-1300; 1945-2015; 2300-0005; Channel 2: 1715-2000, 2000-2230, Denmark — DR: 1020-7433, 1450-1730, 2130-2215. Estoria ETV: 1125-1346, 1430-1600, 1915-1945, 2145-2330. Flohand: — TV1: 1105-1605, 2055--2830; TV2: 1900-1930; France - FR2: 0955-1020, 1025-1050, 1050-1200, 1205-1250; FR3: 1430-1455, 1500-1740, 2005-203

ermeny — ZDF: 0950-1750, 2100-145...-Greece - ET1: 0630-0500, 1700-1880; ET2: 1915-1945. 1600: Channel 2: 1905-2054 2205-1

and - RUV: 0930-1130, 1255-1400, 1825-1865, 2315-2345. Ruly — RAI1: 0955-1300; RAI2: 2415-0100; RAI3: 1730-1800. 0030-0100, -

■ LRT: 1125-1400, 2130-2150. - CLT: Highlights on evening news, 1900-2000.
Mecadonia - MKRTV/Channel 1: 0855-1130, 1255-1420; Channel 2: 0925-1200, 1355-1630, 1715-1745, Channel 3: 0930-1150, 1625-1900 1315-1400; 1600-1925; 0100-0300.

Netheriends — NOS: 0890-2315. Netwerlands — NOS: 0890-2315. Nerway — NFIK: 0900-1750, 2000-2400; TV≥: 1846-1900. Poland — TVP/PB1: 0960-1100. 1830-1856, 2200-2300; PR2: 1105-1300, 1906-1725, 1905-2000, 0006-Portugal: - TV2: 2300-2320; PTP1: in - RTVR/Channel 1: 1200-0100; Channel 2: 2055-2330.

Russis - RTO: 1225-1500, 1880-1915, 2155-0080; RTR: 1250-1400, 1565-1700, 1706-1715, 2135-2206, Slovalda — STV/SK: 0600-0830, 1025-1056, 1155-1300, 1615-1845. Sievenia - RTVSLO: 1005-1405; 1700-1845; 1858-2015; 2035-2245. Spain - RTVE: 1000-2400; TVE2: 1445-1500.

- TSR/TSI/DRS: 1030-1300, 1400-1530; S+: 2000-2230. Turkey - TRT: 1800-2015, 2100-0030-0100; 1/72: 1200-1340, 1915

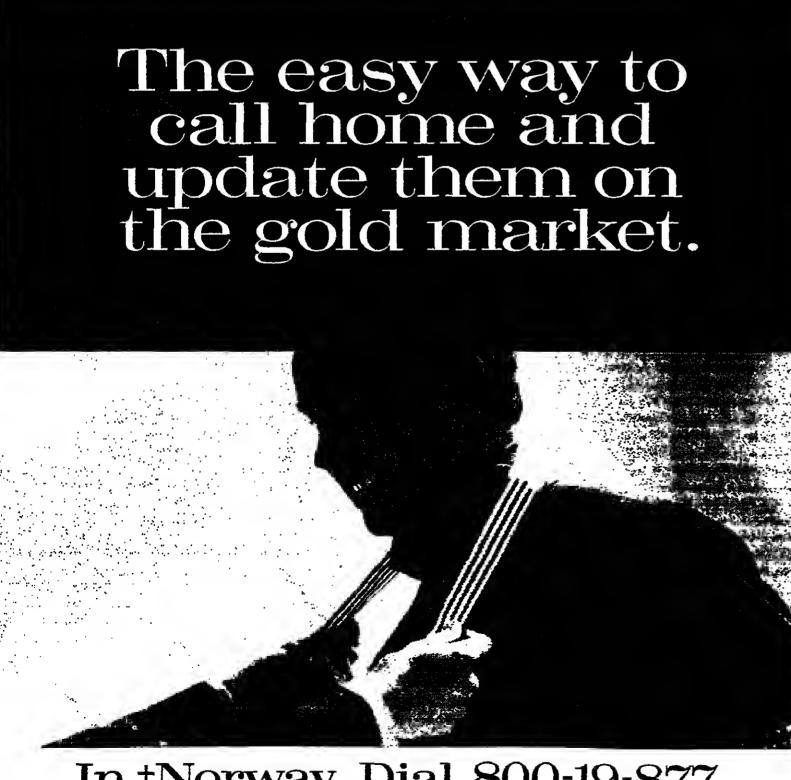
Eurosport - 0600-2230, 2400-con-ASIA/PACIFIC

stralia - Channel 9: 2030-0100, w Zeeland - TV1: 0700-0800, 2130-2400 Japan - N-RC 2200-2400 (general); 1230-1500, 1800-0630 (satellite); 1300-1500, 1900-2200 (Hi-Vision).

- CCTV: 1800-2100, 2800-2200-2300, 2410-0140; MBC: 1000-

pore - SBC/Channel 12: 2400-

2000-2300, 0037-0137; TNT: 1300-



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### حكذامن الأحل

### **SPORTS**

### Close Call For No. 1 Tar Heels

What a night for Dean Smith. His top-ranked North Carolina Tar Heels hit the 20-victory mark for the 24th consecutive season. They tied No. 2 Duke for first place in the Atlantic Coast Conference. The team's leading scorer, Donald Wil-

COLLEGE BASKETBALL hams, returned from a six-game absence because of a shoulder injury

and scored 11 points. And the game with Maryland was close. That last fact made the Tar Heels' coach happy. Honest. "We needed one like this," Smith

said of Thursday night's 95-89 vic-tory in Chapel Hill, North Caroli-na. "I told the players that during one of the timeouts. We haven't had a lot of close games and it was good for us." The Tar Heels (20-3, 8-2) were able to have the chance to become

the first team in over a month to

hold the No. 1 spot for more than a week because point guard Derrick Phelps had another marvelous all-The senior had 21 points, eight assists, seven steals and five re-

bounds and nine of his points came in the final 2:12 as North Carolina held off a furious rally by the Terrapins (12-7, 5-5). No. 7 Louisville 65, South Florida 50: Clifford Rozier had 25

SIDELINES

straight. Rozier was 11-for-17 from the field and had eight rebounds and six blocks. Jerome Robinson had 14 points to lead the Bulls (9-11, 2-5), who had a 10-game home inning streak snapped: No. 8 Temple 51. Duquesne 49:

The Owls (17-3, 10-2 Atlantic 10) didn't bounce back impressively from their loss to West Virginia. da 50: Clifford Rozier had 25 Eddie Jones had 24 points to lead points as the Cardinals (19-2, 8-1 Temple, but the winning points Great Midwest) won their ninth came on a bank shot by Jason Ivey

Sandwiched between the Dallas defenders Tony Campbell, left, and Doug Smith, Mitchell Butler of the Bullets pulled down a rebound.

Typs Edney made six free throws in the last three minutes as the Bruins

(16-2, 9-1 Pac-10) squeaked past the visiting Huskies (3-16, 1-9).
No. 13 Massachusetts 70, Rhode Island 64: The Minutemen (18-4, 9-0) remained unbeaten in the Atlan-tic 10 as Mike Williams returned to score nine points in 21 minutes.

The Golden Bears (16-4, 8-2) trailed by 20 midway through the first half, closed within

with six seconds left. Derrick Alston had 20 points for the visiting Dukes (11-8, 5-5).

No. 9 UCLA 79, Washington 76:

Visiting Massachusetts was never three points at halftime and then pulled away from the visiting Sum Devils (11-8, 6-4) behind the 25

No. 16 Arizona 77, Stanford 60:

points of Monty Buckley. pulled away from the visiting Sun Devils (11-8, 6-4) behind the 25 points of Monty Buckley.

No. 22 Marquette 61, Cincinnati 60: Jim McIlvaine had 18 points, 24 from 24 from No. 16 Arizona 77, Stanford 60:

Khalid Reeves hit six 3-pointers and scored 33 points as the visiting Wildcats (18-4, 7-3 Pao-10) beat Stanford (13-6, 6-4) for the 13th 11 rebounds and eight blocked shots for the visiting Warriors (16-5, 7-1 Great Midwest). The Bear-cats (15-7, 3-4) missed two close shots in the final seconds as their No. 18 California 95, Arizona St. five-game winning streak over Marquette was snapped.

Somford 75, Centengry 70 Stelson 61, Flo. International 58 Vo. Commonwealth 81, Virginia Tech 75

SOUTHWEST

Ark.-Little Rock 75, Texas-Pan America Sam Houston St. 77, Texas-San Antonic Stephen F.Austin 63, SW Texas St. 61 Texas-El Paso 81, Colorado St. 78

FAR WEST
Arizona 77. Slamfurd 60
Brigham Youna 101, San Dieso St. 87
CS Northridae 89, NE. Illinois 84
Colifornio 95, Arizona 51, 78
Col 51, Fullerton 97, Nevada 72
Gonzása 64. Pepperdina 54
(doho St. 94. N. Arizona 93
Lona Beach St. 88, Portific 75
Loyola Marymount 85, Portland 79
New Mexica 73, Wyomias 64
San Dieso 79, St. Mary's, Cot. 72
San Jose 54, 62, UC-Santo-Borbara 53
Sontia Clara 88, San Francisca 17
Southern Col 70, Weshinston 51, 64
UCLA 79, Washington 76
Unit 81, Howoff 74, OT
Utah St. 79, UC livine 17

LASTERN CONFERENCE

HOCKEY

NHL Standings

W. Kentucky 91, Louisla

Worke Poress 77, F-bridg St, at A1DWEST E, Illinois 78, Austin Pear 61 La Saile 65, Evansville 63 Loyola, III, 76, N. (Ginois 62 Marquette 61, Cincinanti 60

### Wilkins and Hawks **Make Some History**

The Associated Press

Dominique Wilkins was happy about becoming the 10th-leading scorer in NBA history, but not as happy as he is about how the Atlanta Hawks are playing heading into the All-Star break.

The 34-year-old Wilkins surpassed Elgin Baylor on the all-time list by scoring 33 points in a 114-98

### **NBA HIGHLIGHTS**

victory over the Miami Heat on Thursday night. Wilkins, in his 12th NBA season,

has 23,150 points. Baylor, a former star of the Los Angeles Lakers, had 23,149 points in his career. "Moving into the 10th spot ranks pretty high," Wilkins said. "It's really special. I never saw Elgin

play, but I know I'm in good com-pany. He's on most of the all-time all-star teams." More importantly, the Hawks finish the first half of the season tied with Chicago atop the Eastern Conference standings (34-13). The 34 victories are the most ever for

the Hawks before an All-Star break. Their previous best was 32 Wilkins scored 16 of his points in the opening quarter and was 13-of-24 from the field overall. He connected on his first four shots and 6of-7, including a pair of 3-pointers.

Glen Rice led the Heat with 22 points. Rony Seikaly added 20 points and 10 rebounds.

WESTERN CONFERENCE

THURSDAY'S RESULTS

Hoston 2 8 1 6-3 First Period; B-Howerchuk 24 (Dowe); B-Smolinski 18 | Juneou, Wesley); B-Donoto 17 [Ontes. Juneou), Second Period; B-Presley 10 (sh) B-Wood 13 (Plante, Surfon), Takrd Pe-

ried; B-Murray 6 | Juneou, Bourque (. Shotses good; Buffele (on Riendeou) 8-10-4-6—22. Bes-

bot (on Fuhr') 16-14-16-1-47.

New York B 4 1-5

Pittsbords 1 2 6-3

First Period: P-Potterson 3 (Brown, Poek).

Second Period: N.V.-Thomos 21 (House, Maily); N.V.-Kurver 5 (Moley, Thomos)) P-Stevens 29 (Stopleton, Murphy); (op), N.Y.-McIn-als 16 (Dafsorne, Molokylov); N.Y.-Kins 21

\*\*Leadershow Christer 11 Pulsar 28 (Stroky).

muelson), Third Priod: N.Y.-Floiley 11 (Mo-lottrow, King). Shels on goad: N.Y. (on Bor-russo) 3-19-13—35. P (on Hextall) 11-11-10—32.

Ottowa 2 8 9–2 First Period: T-Klimo 21 [Cole, Homrith.); (pp.), O-Yoshio 25 (McLlwaint) O-Maileite 5. Second Period: T-Gratton 6 (Klimo, Chombers): T-Cole 14 (Gratton, LiPumo): T-Amderson 11.(sh). Third Period: T-Gratton 7 (Klimo); T-Brodley 17 (Goljant), Shots on poal: T (in Bülimston) 10-18-8–36, O (on Jablonski) 5-5-8–18.

ionski) 5-58—16.
Vancouver

New Jersey

Period: N.J.-Corponter & Sistevers.
Charske'; N.J.-Zefebukin 21 | MocLean, Albe-lin), (spl. Second Period: N.J.-Guerin 12 (Semak, Zefebukin); N.J.-Lemieux 14 (Chorske, Nicholis); N.J.-Richer 21 (Driver); V-Gelinos 12 (Courson, Courtnall). Third Period: V-Bure 31 (Lumme); V-Bure 31 (Courtnall, Ranning); (pp), N.J.-Guerin 13 (Semak, Zefebukin); 1N.J.-Nicholis 9 (Corponter). Shots on

ton (on Fuhr) 16-14-16-1-47.

recr-best 41 points, the most by a Knicks opponent this season, and visiting Golden State held New

minutes of the fourth quarter. Sprewell's previous career-high was 36 points in an overtime game last year against the Lakers.

Rockets 104, Pistons 81: Hakeem Olajuwon scored 28 points
and grabbed a season-high 20 rebounds as Houston defeated Detroit

York to five points in the first seven

for the Rockets' first victory at The Palace at Auburn Hills, Michigan. The Rockets (34-12), who snapped a five-game road losing streak and have won six of their last nine games, enter the All-Star break atop the Midwest Division.

Spurs 94, Nuggets 87: David Robinson scored 29 points as San Antonio extended its NBA-best winning streak to nine games.

Vinny Del Negro had 16 points as the Spurs won their 11th straight

at the Alamodome. Terry Cummings scored 12 points and Willie Anderson added 11 and a gamehigh 11 assists. Mavericks 87, Bullets 77: Jamal

Mashburn scored 16 points and Fat Lever set a franchise record with nine steals as visting Dallas beat Washington. With Lever leading the way, Dal-

las forced 26 turnovers and established a season-low for points by an opponent. Lever broke the team record of eight steals held by Jim Spanarkel and Derek Harper. The Mavericks won consecutive games Warriors 113, Knicks 105: All- for the first time this season and Star Latrell Sprewell scored a caalso set a club record with 19 steals.

### NBA All-Stars on TV

The National Baskethall Associa-tion's All-Star Saturday and the All-Star Game, starting at 2330 GMT Sunday, can be seen on the following television stations, according to the league. Please check local listings tor broadcast times. EUROPE

Armenia - Russian TV; Austria -Armenia - Hussian IV; Austria -SAT 1/DSF; Azerbaijan - Russian TV; Azores - AFRTS; Belgium -Canal +/Filmnet; Belarus - Rus-sian TV; Britain - BSkyB, ITV; Bulgaria - BTV; Crete - AFRTS; Cro-atla - TV Hrvataka; Cyprus garia - SIV; Crete - Arris, Coatila - TV Hrvataka; Cyprua Lumiara TV; Czech Republic Czech TV; Denmark - Danrad; Estonia - Russian TV; France - Canal
+; Germany - DSF, SAT1; Greece
- Megachannel; Graanland AFRTS; Hungary - MTV Hungarian;
Iceland - Channel 2; Ireland - RTE;
Israel - ICP; Italy - Telemontecarlo;
Kazakhstan - Russian TV; Kyrgyzstan - Russian TV; Latvia - Latvian
TV; Lithuarria - Baitic TV; Moldova
- Russian TV; Monaco - Telemontecarlo; Nerhertands - Filmnet; Norway - TV Norge; Poland - Channel
2; Portugal - RTP; Romania - RTI;
Russia - Russian TV; Slovakla Slovak TV; Slovenia - TV Slovenia;
Spain - TVE 2; Switzerland - DSF,
SAT1; Tadzhikistan - Russian TV; Span – IVE 2, Switch Russian TV; SAT1; Tedzhikistan – Russian TV; Ukraine – ICTV; Uzbekistan – Russian TV.

- KCTV; Uzbekistan - Russian TV.

MIDDLE EAST
Abu Dhabi - Star TV, Abu Dhabi TV;
Bahrain - Bahrain TV; Dubai - Star TV;
Iraq - Star TV; Jordan - Jordan TV;
Iraq - Star TV; Jordan - Jordan TV;
Kuwait - Kuwait TV; Lebanon Middle East TV, MTV; Morocco 2M; Oman - Oman TV, Star TV; Qatar - Qatar TV; Saudi Arabia Aramco Saudi TV; Tunisla - Canal
Horizon; Turkey - TRT; United Arab
Emirates - UAE TV.

ASIA-PACIFIC

Emirates - UAE 1V.

Alghanistan - Star TV; Australia Ten Network; Bangladesh - Star TV;
Bhutan - Star TV; Brunei - Star TV;
Burma - Star TV; Cambodia - Star
TV; China - CCTV; Guam - ESPN
International; Hong Kong - ATV,
ESPN International; India - Star TV;
Indonesia - SCTV, ESPN Internatroohesia – SCIV, 25-rt Indina-tional; Japan – NHK-DBS, JSC; Laos – Star TV; Malaysia – TV3, Star TV; Mongolia – Star TV; Nepal – Star TV; New Zealand – TV3, Sky Network, ESPN; North Korea - Star TV; Palau - ESPN International; Papua good: V (on Bradeur) 6-7-11—24 N.J. (on Whit-more) 12-13-4—34, Florida 8 1 2 0—3 New Guinea - ESPN International; Pakistan - Star TV; Philippines -Republic Bdcst TV; Singapore — Singapore Bdcst Corp.; South Korea — AFRTS, SBS, ESPN; Sri Lanka - Star

TV; Taiwan - Taiwan TV; Thalland - IBC, ESPN International. NORTH, SOUTH AMERICA Argentina - Channel 11/ESPN International: Aruba - Tale-Aruba: Bahamas - ZNS-13; Barbados - ESPN International; Bermuda - ESPN In-

temational; Bolivia - ESPN Interna-tional; Brazil - Bandeirantes/ESPN; Canada — TSN/RDS; Chila — Chan-nel 11/ESPN International; Colombia — TV Ingenios/ESPN; Costs Rice — Channel 2, Channel 29/ESPN; Cuba — AFRTS/ESPN; Curacao — ESPN International; Dominica — ESPN (n-ternational; Dominican Rep. — RTVD, ESPN International; Ecuador Channel 11, ESPN International; El Salvador - Canal 4: French Guyana - Canal +: Guatemala - ESPN In-- Canal +; Gualennaia - Esrn In-ternational; Honduras - Canal 5, ESPN International; Jamaica - CVM; Martinique - ATV, Canal +; Mexico - Channel 13, ESPN International; Niceragua - Channel 12, ESPN In-ternational; Panama - Channel 2, Canal 90, ESPN; Paraguay — ESPN International; Peru — Canal 7, ESPN International; Puerto Rico — WLII,

TNT; St. Kitts - ESPN International; St. Lucia - HTS, ESPN International; St. Maartens — ESPN International; Trinidad ~ T&T TV; Uruguay — Ca-nal 4; Venezuela — ESPN Interna-tional, Venevision, Televen. AFRICA

Bophuthatswana — Bop-TV; Burkna Faso — TVB; Cape Verde — CVB; Gabon — Canal Horizon;Gulnea Bis-

Gabon — Canal Horizon, Juliesa pas-sau — GBB; Ivory Coast — Canal Horizon; Madagascar — Star TV; Mauritius — Star TV; Nigeria — NTV; Reunion — Canal +; Sao Tome —

STB; Senegal - Canal Horizon; South Africa - SABC, TSS.

more) 13-13-9-34.
Florida 8 1 2 0-3
Philadelphia 1 1 1 1-4
First Period: P-Lindros 27 (Racina, Golley), (pp., Second Period; FSmith 1 (Skrudland, Hough), P-Tipoett 4(sh), Third Period; P-Recchi 29 (Lindres, Wilkle); (pp), FKudelski 31 (Lowry, Niedermayer); (pp), FBornes 12 Overtime: P-Lindrot 28 (Recchi,

Washington

St. Louis

First Period: W-lafrate A. Second Period:
W-Bandru 21 (Pivonka, Berube), Third Period: St. Fessner 1 (Shandhan, Duchesne); St.-Bazon 8 (Montsomery, Brown); W-Cote 7 (Huther); W-lafrate 7 (Huther); St.-Shandhan

33 (Huil, Jamey), Shots on pout: W Jon Hrivack) 9-147—30, St., fon Tabaraceti 10-4-16—35.

### TRANSACTIONS BASKETBALL

National Basketball Association
NBA—Fined Phoents quard Kevin Johnson
37.50, for floorant foul operinst Steve Kerr al
Chicago in game on Feb. 6. Named Scattle
pound Gary Payton to Western Contenence
All-Stor team replacing Phoents torward
Charles Bartday, who is informed.
(ND(ANA—Activated Date Davis, forward,
from injured list. Placed LaSaile Thompson,
forward, on injured list.

National Football League
CLEVELAND-Named Rick Venturi de-

HOUSTON-Named Jeff Fit

### CRICKET

FIRST TEST

Now Zealand vs. Patiston. Second Day
Priday, its Edge Paris. New Zealand
Pakiston. Its Intings: 215 oil out (574 overs)
New Zealand. 2d Innings: 118 oil out (32.1

### He rose to prominence last year in his first appearance in the Tour de France, finishing 12th, and was considered one of Spain's best hopes to succeed Indurain, the three-time Tour winner, the country's leading rider. DENNIS THE MENACE

Jack Morris, meanwhile, agreed Thursday to a \$350,000, one-year contract with the Cleveland Indians. Morris, a five-time All-Star, was 7-12 with a 6.19 ERA last season for Toronto and mised the AL playoffs

and World Series. Among players in arbitration, outfielder David Justice and Atlanta agreed to a \$27.5 million, five-year deal.

Rising Spanish Cycling Star Killed

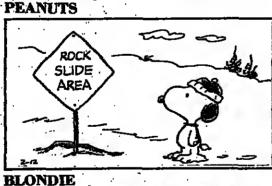
MADRID (Renters) — Antonio Martin, 23, a rising star of Spanish cycling, was killed in an accident Friday while training near his home at Torrelaguna, near Madrid, the police said. Martin, who this season signed for the Banesto team led by Miguel Indurain, was in a collision with a car.

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| 18). Assists-Chicago 31 (Grent kee 22 (Aurdock 9), 15 20 18 24-77 28 26 22 19-87

rell 11), Los Angeles 49 (Lynch 16).

EAST

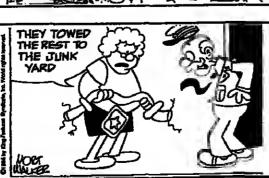
SOUTH Alobama St. 83. Tuskegov 79

Bethune-Cookman 65, Howard
Comphell 86, Charlesten Southe
Cent, Florida 85, Mercer 79
Coll. of Charlesten 51, Citadel 4.
E. Tennessee 51, 62, Furman 79
Florida A&A 17, Morgan 51, 51
Georgia 51, 98, 5E Louisland 86
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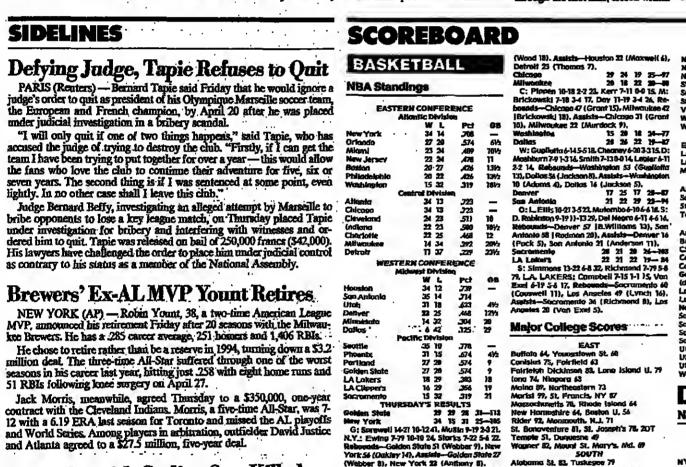




**REX MORGAN** 







### Leave It to Beavers

M IAMI — Today's topic — and we wish to stress that this has nothing whatsoever to do with the Clinton administration -

is "Beavers in the News." Here at the Center for Being Alarmed, we have been monitoring the beaver situation for more than two years now, and we feel that the time has come to alert you, the public, to what is going on, so that you can take appropriate action in the form of whi impering in terror.

Let's review the sequence of events, bearing in mind that we are not making ANY of these events up; they all were reported in actual newspaper items sent in by many alert readers.

We will start with 1992, when wildlife anthorities in Chelmsford, Massachusetts, in an effort to control the burgeoning local beaver population, decided in have a team of veterinarians give them (the beavers) vasectomies. The New Haven Register stated: The beavers will be enticed with tasty bark to swim into traps. Female beavers will be released, but males will be beld and vasectomized.

While authorities in Chelmsford were vasectomizing male beavers, authorities in Colorado were attempting to implant Norplant contraceptive devices in female beavers. The highlight of this effort occurred when wildlife authorities invited the press in a Denver veterinary hospital to witness the first beaver implant, which was to be performed by Dr. David Robinson. Everything was ready: The cameras were rolling, and the sedated beaver was on the operating table. breathing anesthetic gas through a little cone over its snout. Robinson made one final examination, then announced: "It's a male."

Now we move to 1993, during which the following news items were published twe are still oot

making any of this up); The Spokane (Washingtoo) Spokesman-Review reported that a beaver chewed through a 100-foot tree, which fell on a "passing wood-chip truck," causing about \$2,000 damage. The paper reported that "the driver and police were laughing over the incident, with jokes flying about the beaver ambushing the truck in order to get at the tantalizing wood chips.

The Associated Press reported on a lawsuit in Chippewa Falls, Wisconsin, resulting from an incident wherein "a beaver chewed through a tree, causing it to fall on a fence, allowing Holstein heifers to escape from a pasture and wander onto some railroad tracks." Eight heifers were killed by a train.

The Winnipeg Free Press reported that a 71-year-old outdoorsman was sitting on the tailgate of his pickup truck when he felt a sharp pain. "He looked down," reported the Free Press, "and retailzed a large beaver had sunk its teeth into his left leg." Fortunately—and let this be a lesson to those who would limit the right to keep and bear bockey sticks - the man had a hockey stick. "He beaned the beaver several times until it clamped unto his hockey stick with its teeth," stated the Free Press.

So the pattern is clear: The beavers are striking back. Perhaps you are not concerned about this. Perhaps you live in an urban area, and think you're safe from attack. Per-baps you are a fool. Consider the following item from the Dec. 15, 1990, installment of the syndicated

feature "Ripley's Believe It or Not": "In the 1950s, beavers WERE DROPPED BY PARACHUTE IN CALIFORNIA to build dams in areas threatened by erosion!"

That's right: Beavers can be dropped fram airplanes. They could land ANYWHERE. And please do not be so naive as to try to tell us that the government would not do such a thing. The government is perfectly capable of suddenly deciding to drop mass quantities of beavers on urban areas, especially if an economist suggests that this might create jobs.

So that is the situation. Nobody is safe. What can you do? You can be nn constant alert. You can refuse to sleep and constantly dart your eyes around in a nervous manner. You can carry a hockey stick at all times, even to work. Perhaps your co-workers will laugh. Perhaps your boss will want to have a

word with you.

Perhaps he will beg like a yellow dog for your help when he feels the Chomp of Doom on his ankle.

Knight-Ridder Newspapers

### For the 'SuperYoung,' Aging Can Be Fun

International Herald Tribune

DARIS - It is a fact, unscientific but no less true, that I everyone feels older in the bleak winter months. Everyone except Dr. David J. Weeks, a New Jersey-born clinical psychologist at Royal Edinburgh Hospital who, over the telephone at least, sounds distinctly chirpy and a lot younger than his 46 years.

The reason, Weeks says, is his SuperYoung Project in which he investigated why certain people feel and look younger than their chronological age. "If you talk to many researchers in the human sciences, if they're being honest

### MARY BLUME

there are sometimes selfish reasons," Weeks said. "If I were being honest I would say that when I started this study in 1989 I wanted to follow in the footsteps of these people if possible and learn from them."

His previous big study, on British eccentrics, made him sufficiently eccentric to try an alternative career as a stand-up comic. "I was quite staid before that," he said. "Quite reserved." The Super Young have taught him to keep his curiosity, as well as his gonads, alive.

The project began with a letter to the New Scientist magazine in November 1989, in which Weeks asked to bear from those who looked or felt considerably younger than their years. "The main aims of this research are to try to discover how this happens, what factors are involved and if there are any cognitive/intellectual/attitudinal vari-ables which contribute to these large differences."

That letter netted 350 replies, and subsequent media

coverage brought the total to 3,500. The youngest was 25, the oldest 101. Men and women replied in equal oumbers. A seven-page questionnaire followed in which respondents commented on physical exercise, sex life, mental attitude, diet and were asked how long they wished to live (to infinity, replied a 62-year-old American who says he

looks 10 years younger).
Subjects were also asked to send in photographs (the vell-preserved 62-year-old sent one in a bikini, stomach held m). To make the study as objective as possible, Weeks gave the pictures to blind raters, and mixed them with photos of nonparticipants. "The blind raters actually rated the people in the study at an average 12 years younger than their age." Weeks said.

What, then, is the secret? No surprises, really: outside

interests and an active sex life, preferably with a younger

There is a small consolation for those over 55 who. unlike Warren Beatty and Elizabeth Taylor. do not have an Annette Bening or a Larry Fortensky waiting in the boudoir. Weeks says there is no need to compensate with violent physical exercise. "People who feel they are doing enough exercise are often actually overstimulating. Three 20-minute brisk walks a week is more than sufficient." For 14 years. Weeks has been working with elderly patients in Royal Edinburgh hospital, many of them suffering from depression, especially the poor. "Living in rundown neighborhoods, especially if you are old, makes you almost legitimately feel paranoid, and that kind of

suspicion breeds inneliness and isolation."

Weeks says there are psychological roots in such agerelated illnesses as Alzheimer's disease: "I would mount the theory that lack of stimulation and poverty and sensory deprivation can lead to some sort of deteriora-and a couple of the tion." He also thinks there may be connections with late-strong. I tried it."



onset diabetes and heart disease, as well as benign senes-

cent forgetfulness. "Forgetfulness affects people from 40 onwards. It's interesting to see when I give lectures how many people say they have a word or somebody's name on the tip of their tongue. Some people cope with that very well, others are catastrophized. As they get alder, it's one of the factors that makes their social life contract because they become socially anxious and socially phobic.

"In the over-55s it's a neglected area because it's one of the stereotypes of older people that they retract from society and it is seen as all right. But I think it's not, it's a very unhealthy thing for most people."

Some of the participants in the survey show a numbing self-absorption which Weeks prefers to see as self-esteem. "I think being self-centered is a good thing because problems come from people who have diminished selfesteem, which leads to feelings of guilt and shame and social embarrassment and suicide and depression."

Plastic surgery may help, Weeks says, but he is less positive about cosmetics and costly creams as a way of staying young. They did mention moisturizing the skin and a couple of them used olive oil which I found a bit While completing the SuperYoung study, Weeks has been expanding his study of British eccentrics to the United States. "I have found about 750, 40 percent of them in California. The real surprise was Minneapolis-St. Paul. Per capita, they have more eccentrics than anywhere

American eccentrics, he found, are more sociable than British and more of them — 50 percent — are female.

Among those he found are a professor of frog psychology and a physician in Virginia who went to clown school and treats his patients free of charge. "He's the nearest thing to what I would call a saintly person, a very old-fashioned word but a very good person."

The connection between eccentrics and the Super-Young Weeks says, is that each has a recipe for happiness. Both groups have a high degree of curiosity leading, for eccentrics, to obsessiveness and both enjoy good health, with British eccentrics visiting their doctors only once every eight years, or one-sixteenth of the national average. While eccentrics are by definition out of the center of

lems. There is definitely a downside for oldies who have found bliss with much younger partners.

"Both partners were extremely happy," Weeks said.
"But the in-laws weren't at all, It drove them wild."

ordinary concerns, the SuperYoung can have family prob-

Jackie Onassis Treated For Lymphatic Cancer

Jacqueline Kennedy Onassis has non-Hodgkin's lymphoma, a form of cancer of the lymphatic system. She has been undergoing chemotherapy for about a month without interrupting her routine or duties as a book editor at Doubleday, according to a family spokeswoman. Nancy Tuckerman said that Onassis, 64, was found to have the lymphoma after going to a doctor with flu-like symptoms and that the disease was apparently in an early

A black-and-white picture of Gaza Strip children hölding pistols. by the Canadian photographer Larry Towell, was named Friday the World Press Photo of the Year for 1993. The spot-news photo winner, taken by Swapim Parekh of India, shows grieving women in the aftermath of an earthquake. Mike Gold-water of Britain won in the general news category.

A concert by Lucismo Pavarotti in Manila is sold out despite protests over prices. The concert scheduled for March 18 sparked a controversy after organizers said tickets would go for as much as 25,000 pesos (\$910) spiece. The minimum daily wage in the Philippines is the equiv-alent of \$6. The furore diminished after it was explained that the highpriced tickets would be sold to corporate sponsors and most seats would cost about 2,000 pesos. . 13

The British publishing industry named "Wild Swans" by Jung Chang, which charts three genera-tions of Chinese women, as Book of the Year. The Dublin writer Roddy Doyle was named Author of the Year for "Paddy Clarke Ha Ha Ha," which won the 1993 Booker Prize.

Prince Andrew and the mine hunter he commands have joined a search for the wreck of a ferry that went down in 1633 loaded with treasure belonging to King Charles L.The navy is searching the Firth of Forth in Scotland for the remains of the Messing of Burntisland.

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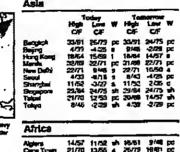
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### WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

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### POSTCARD

### The Bird 'Hospital' and the Hit-Run Victim — an Owl

By Eve Nagler New York Times Service

C ANAAN, Connecticut — To an owl, a roadway is a clearing in the field. That explains why a little screech owl was on Salisbury Road in Cansan in mid-December, an, environmental intern at the Sharon Audubon

Center, Jim Nolan, said.
The owl was probably bunting for a rodent or the gray speckled owl lying on the road and brought it to the Sharon Center, where it was treated for an injured left eye, a concussion and severe shock. Nolan, a student at Southern Connecticut State University, force-fed the owl a liquid high-calorie nutrient, using a syringe. After two weeks, the owl started to eat on its own, feasting on dead mice donated by the psychology department of the University of Connecticut at Storrs.

Nolan said he was careful not to touch the owl except to feed it and treat its eye, in the hope that the bird would recover enough to be released back into the wild.

'It's an old-wives' tale that if you touch a bird - especially a baby bird - the mother won't come back," the manager of the Sharon

Center, Scott Heth, said. "Birds don't have a sense of smell. But we avoid touching some birds to prevent them from getting too used to.

By mid-January, the screech owl, not much bigger than the mice it eats, was healthy enough to be released, although it had lost the sight in its injured eye. "That won't matter much," Nolan said. "Owis are necturnal hunters who

The owl, which Nolan said was probably a female, sat calculy in his hands, posing for pictures. "Screech owls are tame pulfballs of feathers," Nolan said. "They are easily approachable, even in the wild."

Several staff members at the center stood bundled in the snow to watch the owl so. As Nolan crouched down, the bird seemed to know it was time to take off. It began to flutter its wings. No an raised his arms up and opened his hands, and the bird flew off. There were 684 acres (about 275 hectares) of property owned and protected by the National Andubon Socicty in front of it. But the owl stopped and perched in a tree not 100 feet (30 meters) from

its human benefactors. "She's getting her bearings." Notan said. "She'll move on in a little while." After 20 minutes, he went to check on the owl, ready to place a dead mouse under the tree. But by then, the bird had flown off.

The fate of the owl — like the approximately 50 birds the Sharon Andubon Center treats and releases every year — will never he known. "We don't band birds," Heth said. "We prefer to leave them in their natural state." ured birds bron

Sharon Center are too severely wounded to be saved, Heth said. Those birds are enthenized. Other birds with treatable but crippling wounds are kept at the center. On the day the owl was set free, a red-tailed

hawk was recuperating in the center from a gaushot wound. His right wing was amputated, He was in one of 10 cages along two walls in the center's bird infirmary, a converted kitchen. He

was the only patient that day.
"The damage is too great for this hawk ever
to be released," Nolan said. "Once feathers grow over the wound, we'll move him outside to our larger awary. And then after some training, when he learns to get used to people, he'll become part of our educational pro-







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